Daily Report

Latin America

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Cuba

Castro Receives Iran's Deputy Foreign Minister

FL1308124690 Havana Tele Rebelde Network in Spanish 1100 GMT 13 Aug 90

[Text] Commander in Chief Fidel Castro has received Mahmud Va'ezi, deputy foreign minister of the Islamic Republic of Iran. Va'ezi headed the Iranian Foreign Ministry delegation that attended Colombia's presidential inauguration. He is now in Cuba within the framework of an exchange program between the Iranian and Cuban Foreign Ministries.

The commander in chief acknowledged the greetings sent by Iran's president, His Excellency Ali Akbar Hashemi-Rafsanjani, pointing out that our people's aid to Iran was an expression of Cuba's internationalist position and a fundamental humanitarian duty following the recent earthquakes in that country.

During the meeting the two leaders exchanged opinions on the international situation, particularly the serious crisis in the Persian Gulf. The two leaders also examined the possibilities of broadening the two countries' bilateral relations.

Malmierca Receives Iran's Deputy Foreign Minister

FL1108021690 Havana Television Service in Spanish 0000 GMT 11 Aug 90

[Text] Cuban Foreign Minister Isidoro Malmierca received Iran's deputy foreign minister, Mahmud Va'ezi, a few hours after his arrival in Havana today.

[Begin recording] [Malmierca] The visit of the deputy foreign minister of the Islamic Republic of Iran has been arranged for some time. We want to exchange opinions, as we have done in the past, on our positions regarding international situations, particularly in view of the upcoming UN General Assembly. We also want to confirm our mutual willingness to develop our cooperation in various areas. We are working in various concrete fields of cooperation including the area of medicine. We trust this visit will help make all our projects possible.

This visit, of course, coincides with the special situation in the Middle East, the Iraqi occupation of Kuwait, the fusion of Iraq and Kuwait into a single state, and above all, the use of the situation by the United States and some of its closest allies to broaden, extend, and multiply their military intervention in the region. They undoubtedly intend to perpetuate their presence in the region. It is also possible that they might decide to carry out unilateral military actions in the zone without any authorization or without being properly requested to do so by any international organization. This would be very harmful and very costly in lives and resources for the peoples of the region. We have talked about that, too. The deputy minister expressed a similar opinion to the one maintained by Cuba and made a positive comment on the letter that President Fidel Castro sent to Arab heads of state.

[Reporter Caridad Pagan] What results can we expect from the special Arab summit that is meeting in Egypt?

[Malmierca] We hope that the Arab summit in Cairo will help find a solution to the problem. This solution would seek Iraq's withdrawal from Kuwait, reestablish Kuwait's sovereignty, and above all, prevent and avoid new U.S. military interventions.

[Pagan] Thank you very much. [end recording]

Ties, Iraqi Invasion Discussed

LD1108152890 Tehran IRNA in English 1003 GMT 11 Aug 90

[Text] Tehran, Aug. 11, IRNA—Iranian Deputy Foreign Minister in charge of Euro-American Affairs Mahmud Va'ezi said in Havana Friday that continuation of military takeover in Kuwait can directly affect Iran's national security.

Va'ezi who arrived in Cuban capital Friday made the remark in a meeting with the Cuban foreign minister Isidoro Malmierca Peoli.

The two sides discussed the latest developments in the Middle East as well as issues of mutual interest.

Condemning Iraqi seizure of Kuwait, Va'ezi said that right after the Iraqi invasion Iran called for immediate and unconditional withdrawal of the Iraqi forces to the international borders.

The Cuban minister referred to the U.N. Security Council resolution in condemnation of the Iraqi invasion of Kuwait and denounced Iraq's annexation of Kuwait.

He also called for expansion of Tehran-Havana political and economic ties.

In another meeting with Cuban Minister of Sugar Industry Juan Herrera Machado, Va'ezi discussed Tehran-Havana economic relations.

The Cuban minister called for expansion of cooperation between the two countries which was welcomed by Va'ezi.

Machado is to visit Iran to raise Cuba's participation in development and reconstruction projects of Iran's agro-industries during the 5-year development plan.

Need To Increase National Oil Extraction Noted

FL1008154090 Havana Tele Rebelde Network in Spanish 1100 GMT 10 Aug 90

[Text] The country needs a high oil production to increase consumption in industries and, at the same time, reduce the use of imported oil. The national oil

extraction will be 800,000 tons in 1990. To achieve this, the enterprises' union has units in Ciego de Avila; the center of Matanzas; and the Western unit, which includes Yumuri, Martin Mesa, and Boca de Jaruco—the second most important one after Varadero. For its part, the Western unit [as heard] should contribute with 167,000 tons. It has accumulated 92 percent of the total up to the end of July.

The main causes that brought delays in fulfilling the plan are insufficient transportation of oil to refineries, breaks and limitations in the wells and the extraction equipment which lowered the delivery levels. Some 100 wells are being exploited currently in the Boca de Jaruco area and 14 others are being perforated.

The top consumers of Cuban oil are Havana's Camilo Cienfuegos agroindustrial complex, Matanzas' (Are Chavala) Rum factory, and Sancti Spiritus' Ciguaney cement factory.

Group of Spanish Asylum-Seekers Arrives in Havana

FL1008151890 Havana Tele Rebelde Network in Spanish 1100 GMT 10 Aug 90

[Text] A group of 24 Spaniards, residents of Madrid's Belmonte neighborhood, arrived in our country last night at the invitation of Commander in Chief Fidel Castro Ruz. This group is part of the over 60 people who asked to obtain political asylum in Cuba because the Madrid City Hall had threatened to evict them.

They were welcomed at the Jose Marti International Airport by Jose M. Miyar Barruecos, secretary of the Council of State; Luis Mendez Morejon, Cuban Ambassador to Spain; and Cuban Institute of Friendship with the Peoples officials.

The guests will fulfill a program of activities including tours to places of economic and social interest. Esther Castellanos, the group's young attorney, also arrived on the island and thanked the Cuban Government for this invitation on behalf of all of them.

Official Delegation Returns From Colombia

FL1008183690 Havana Tele Rebelde Network in Spanish 1700 GMT 10 Aug 90

[Excerpt] [passage omitted] The Cuban delegation that attended the transfer of power in Colombia returned on a flight coming from the Venezuelan capital. Jose Ramon Fernandez, head of the delegation and vice president of the Council of Ministers, assessed their activities for Cuban television.

[Begin Fernandez recording] As an assessment, we could say that regardless of the fact that there are no formal diplomatic relations between Cuba and Colombia, the Colombian Government—specifically incoming President Mr. Cesar Gaviria—invited Cuba to attend the transfer of power. For this reason, our government appointed a delegation that participated in those activities.

We had the opportunity to exchange views and discuss current affair issues that affect our Latin American countries and also bilateral issues between some countries and Cuba. We talked with numerous heads of state of other countries, officials, representatives, or heads of diplomatic missions, and also with numerous friends in Colombia. This was in addition to the meeting we held with the president who received us, with other ministers and friends, the same day he took power.

It is appropriate to say that we were received well by the government, the authorities, and by the Colombians in general. Very fraternal relations were shown and a lot of interest in Cuba was demonstrated by all the people we met from various countries. So, the slogan U.S. propaganda is constantly using about Cuba's isolation is more wishful thinking than what can really be seen in our contacts in various places. [end recording]

Official Delegation Returns Home From Peru

FL1008133490 Havana Television Service in Spanish 0000 GMT 10 Aug 90

[Text] The official Cuban delegation that attended the transfer of presidential powers in Peru on 28 July returned to the fatherland within the last few hours. The delegation was composed of Juan Escalona, president of the National Assembly of the People's Government [ANPP]; Manuel Pineiro, chief of the America Department of the Communist Party of Cuba Central Committee; Lazaro Mora, official of the Foreign Ministry; and Eusebio Leal, historian of the City of Havana.

Zoila Benitez, vice president of the ANPP; Armando Campos, deputy chief of the America Department; and other officials of Cuba's ANPP and Central Committee went to the Jose Marti International Airport to welcome them.

In the Andean nation, the Cuban delegation was greeted by President Alberto Fujumori and received by a group of deputies headed by Maximo Sanroman, president of the Peruvian National Congress. Among the places the delegation visited in Peru was the University of San Marcos, which conferred an honorary degree to our Commander in Chief Fidel Castro. The members of the official Cuban delegation also visited various places of social and historic interest and had exchanges with Peruvian political and scientific figures.

Shortly after his arrival in Havana, the chief of the delegation talked to the press.

[Begin recording] [Unidentified reporter] Escalona, how are relations between Cuba and Peru seen after this visit?

[Escalona] I believe that relations with Cuba are going to continue (?firm). We were in Peru for almost two weeks and were able to talk with all the political sectors of that country, of all the political positions of that country. Nevertheless, the respect and consideration toward Cuba, toward Fidel Castro, and the Cuban revolution is

very deep in that country. We went outside Lima, we went to Trujillo, to Cuzco, and had the same feeling everywhere.

We met with President Fujimori who stated that he intends to maintain the same level of relations which have been existed with Cuba up to now. I believe that those relations may even be increased. [end recording]

National Bank President Meets With Perez

FL1108121590 Havana Tele Rebelde Network in Spanish 1100 GMT 11 Aug 90

[Text] Venezuelan President Carlos Andres Perez has received Hector Rodriguez Llompart, president of the National Bank of Cuba, with whom he held a meeting characterized as cordial. It was reported that the Venezuelan President and the Cuban leader talked about the economic relations between the two countries and the agreements reached during Rodriguez Llompart's visit to that country. They also talked about current affairs, especially the situation in the Middle East and OPEC.

In the last few days, the Cuban minister also met with high-level figures of Venezuelan financial and commercial organizations.

Raul Castro Tours Ciego de Avila Province

FL1008145590 Havana Television Service in Spanish 0000 GMT 10 Aug 90

[Italicized passages are recorded]

[Text] Army General Raul Castro, second secretary of the Communist Party of Cuba [PCC] Central Committee and minister of the Revolutionary Armed Forces [FAR], began today a working visit to the Ciego de Avila Province. He started his tour at the northern keys of the Sabana-Camaguey Archipelago.

Raul was accompanied by Vilma Espin, member of the PCC Politburo; Julian Rizo Alvarez, alternate Politburo and Secretariat member; high-level officers of the Armed Forces; and Alfredo Hondal Gonzalez, member of the PCC Central Committee and first secretary of the party in Ciego de Avila Province, among other leaders.

At a Youth Labor Army [EJT] camp, where its members are working on the infrastructure of future tourism constructions in Cayo Coco, along with Caribbean Construction Enterprises Union workers, the FAR minister showed interest in the soldiers' living conditions, their families, and the cultural and technical training received before and after they joined the EJT.

[Raul Castro] *The comrades, your supervisors—General (Rigo) and also party Secretary Hondal—had already talked about your behavior, your productivity. You have only been working a few months here.*

[Unidentified speaker] *It is going to be a year.*

[Castro] *When is the hotel going to be completed?*

[Speaker] *In September.*

[Castro] *How many rooms will be completed in September?*

[Speaker] *The capacity is 600.*

[Castro] *Six hundred. [words indistinct] Do you have a medical post here?*

[Speaker] *Yes.*

[Castro] *Do you also have dental services?*

[Speaker] *Yes. Everyone here needs to have his teeth taken care of.*

[Speaker] *We have a chess room, a game room.*

[Castro] *I saw that you are also getting a nursery. According to the capabilities, we need to continue with the line followed by the EJT, to struggle for as much self-sufficiency as possible. You need to continue planting big trees so that you can have shade.*

Elsewhere in his tour, the second secretary of the party received a detailed briefing on the tourist construction master plan in Cayo Coco. Raul inquired about the plan's capabilities and congratulated the Cubanacan comrades for the extensive knowledge and mastery they have of the plan.

In this first part of his visit to the Ciego de Avila Province, the FAR minister received an explanation of the food program in Moron Municipality, the closest one to Cayo Coco, and of its readiness for defense.

[Castro] *The first step of the large food programs that were approved then are beginning to go forward. The second step are the municipalities' self-sufficiency. Some municipalities in this country did not bother. They got their food from the provinces. The third step is the self-sufficiency of work collectives, military units, etc. For example, Camaguey has 700 factories or enterprises in which they have self-sufficiency projects in their yards, anywhere. I believe you are doing the same thing here. The fourth step is the family self-sufficiency, which is also being encouraged.*

Plans need to be fulfilled. When there is a goal to fulfill we have to foresee: What food I am going to give the cattle if there is a drought? Where am I going to get the water? If there is a hurricane we need to find out what kind of drainage we have so that... [changes thought] I know that we cannot do this in a month or in a year. But that is the spirit we have encouraged already. We have to make estimates to fulfill plans. We have to anticipate in case there is a drought, if there is too much water, if there is a labor force or not. This is going to work because the situation we are facing is the biggest challenge in the history of this country since Colombus arrived 498 years ago. That is why this time we are going to follow through with this as if it was the country's defense program.

There are examples. The poor Las Tunas Province has its seven caballerias planted with bananas with the micro-jet irrigation system. I visited them. They are going to have 14 caballerias with the system. They have water. They have three wells eight kilometers from there. Try hauling water with a bucket for eight kilometers. They bring water in pipes, taking advantage of the uneven land and [words indistinct]. They solved the problem and are growing bananas.

So, we need to find solution to the problems. The goals that are set need not be willful or exaggerated. Objective analyses need to be made. The goals simply need to be fulfilled, with or without the white fly, with or without rain. This is the line that we are going to follow.

Tour of Ciego de Avila Continues

FL1008210990 Havana Tele Rebelde Network in Spanish 1700 GMT 10 Aug 90

[Text] Army General Raul Castro Ruz, second secretary of the Central Committee of the PCC [Communist Party of Cuba] and minister of the FAR [Revolutionary Armed Forces], today continued his working visit to Ciego de Avila Province. The minister toured a unit of Red Berets, talked with workers, and chatted with soldiers, sergeants, and officers.

[Begin recording] [Raul Castro] Is everything ready?

[Unidentified soldier] No.

[Castro] [Video shows Castro speaking to a group of men wearing fatigues and red berets] Did you swim the 12 kilometers out in the sea during the night? [Unidentified man in fatigues nods affirmatively] Did you enjoy it? [Man nods affirmatively] What a good test that is! How did you do it? [No one answers so Castro speaks to a tall man closest to him and says:] Well, raise your hand; touch the roof. How old are you?

[Unidentified speaker] I am 22.

[Castro] Where are you from?

[Speaker] Camaguey.

[Castro] So you are from Camaguey. I was telling the comrade that accompanies me about the importance of the unit, the rigorous selection for entry. But your people are also humble. You do not allow yourself to become arrogant. You leave arrogance and vanity aside. Political modesty and firmness is what counts. [end recording]

The FAR minister and his entourage continued their tour under a strong rain. They visited the construction site where the airstrip at the Maximo Gomez National Airport is being expanded. Roberto Rodriguez, chief of the contingent in charge of the job, briefed them on the project.

Ciego de Avila Tour Ends

FL1108191690 Havana Tele Rebelde Network in Spanish 1700 GMT 11 Aug 90

[Excerpts] Army General Raul Castro, second secretary of the Communist Party of Cuba Central Committee and minister of the Revolutionary Armed Forces, ended his Ciego de Avila Province tour with an intense day of work. It started with a news conference honoring the 17 years of the Youth Labor Army [EJT].

[Begin Raul Castro recording] The information I gave you sums up the work—with is successes and failures but always going forward—our great EJT guys have done. We personally congratulate them because a while ago the chief of the political directorate did it on behalf of all of us. You can take the information you want from here. It would be good if these things were published. Some achievements are impressive. The fact that two sugarcane harvests have been cut manually by them at the national level is a big thing. Not everything is included. When I agreed to meet with you about the EJT, I asked for the information. I asked to get a chart with the basic things. Many things are not included here. [end recording] [passage omitted]

[Begin Castro recording] The last time I came here was on 1 May 1988, 1988 [repeats]. I am going back after this crammed scheduled I have followed. You have accompanied me. I am leaving the province happy in the same way I have left the other provinces. Naturally, there have been difficulties and problems that exist in the entire country. One of the things that impressed me is that I am seeing this province take off already although it is one of the provinces with the least number of industries in the country. It is essential that they get them. They are starting to build some. They are developing others. It is a matter that has impressed me favorably in addition to everything I have seen in the food program.

They have made a great effort in maintaining 95 percent of the [words indistinct]. I have seen new high-level cadres, new faces during the north-south tour we took. I will return soon to spend two more days in a similar tour to places we were not able to go this time. In general, I can say that I am leaving happy because of those factors.

I see that the people from Ciego de Avila are working seriously, working hard, whether they are workers of a civil enterprise or youths from the Youth Labor Army, whose combatants won the honor of hosting the 17th anniversary ceremony we attended this morning. I will return because I am happy with you. Through you, I convey greetings to all the people of Ciego de Avila. I hope they continue to go forward. [end recording]

Raul Castro Presides Over EJT Ceremony

FL1108113890 Havana Tele Rebelde Network in Spanish 1100 GMT 11 Aug 90

[Text] Army General Raul Castro Ruz, second secretary of the Communist Party of Cuba [PCC] Central Committee and minister of the Revolutionary Armed Forces

[FAR], has presided over the main ceremony marking the 17th anniversary of the Youth Labor Army [EJT]. The ceremony was held at an EJT unit in Baragua Municipality, Ciego de Avila Province.

Vilma Espin, member of the PCC Politburo and president of the Federation of Cuban Women; Julian Rizo, alternate member of the PCC Politburo; and Alfredo Hondal, member of the PCC Central Committee and first secretary of the PCC Provincial Committee in Ciego de Avila, also attended the event.

On Thursday, the FAR minister visited a red beret unit and saw the expansion work being done at the local airport's airstrip.

Communications Minister Inaugurates Land Station

FL1108003390 Havana Radio Rebelde Network in Spanish 2310 GMT 10 Aug 90

[From the "Exclusivo" program]

[Text] Communications Minister Manuel Castillo Rebasa today inaugurated the land station for satellite transmissions that will help establish, through Rome, international communications—the largest system in the Antilles—with about 40 countries from every continent.

This station, similar to the one inaugurated last month in Varadero, has 24 international channels which will allow users to connect with 180 trunks providing dialing, direct, and automatic service to embassies, enterprises, and the tourism sector.

Upon inaugurating the modern technology, Castillo Rebasa explained his satisfaction with the good work done by the Cuban and Italian technicians who made this project possible. It will be expanded with the use of other portable land stations in Cayo Largo, Holguin, and Santiago de Cuba.

Ramon Castro Visits Tractor Factory in PRC

FL1108160690 Havana Radio Reloj Network in Spanish 1412 GMT 11 Aug 90

[Text] Agriculture Ministry Adviser Ramon Castro has visited a tractor and light truck factory in the southern Chinese Guangdong Province. The Cuban official tested three of those agricultural machines and drove a truck to assess its efficiency. Ramon Castro was accompanied by Liu Gengyin, vice president of the Chinese People's Association for Friendship with Foreign Countries. Castro chatted with the workers and met with (Ling Ruo), secretary of the Chinese Communist Party in that area. The two leaders talked about the friendly relations between Cuba and China as well as the task the two countries are carrying out in the construction of socialism in spite of the tense international situation.

Representatives Sign Cultural Agreement in Beijing

FL1308131990 Havana Tele Rebelde Network in Spanish 1100 GMT 13 Aug 90

[Text] Representatives of the PRC and Cuba have signed in Beijing an agreement for cultural cooperation covering the 1990-1993 period. The main goal of the agreement is to broaden the cultural bilateral exchange within the framework of existing government agreements.

The documents were signed by Li Ying, vice chairman of the All-China Federation of Literature and Art Circles, and Abel Prieto, president of the National Cuban Writers and Artist Union. After the ceremony, Li stressed the traditional PRC-Cuban friendship and the desire of Chinese artists to strengthen their links with their Cuban colleagues.

* FAR Increases Volume of Tire Retreading

90P40106 Havana BASTION in Spanish 30 Jul 90 p 2

[Editorial Report] The 30 July 1990 issue of the Havana Spanish-language newspaper, BASTION, reports on page 2 that the FAR [Revolutionary Armed Forces] expects to retread 12,000 tires in 1990; this is twice the number of tires retreaded in 1989 when the FAR first began this practice. An inspection team has been established to visit all units to inspect the condition of their tires. Of 232 vehicles inspected in the western part of the country, 55 percent of the tires were found to be in good condition, 16 percent did not function, and 27 percent were suitable for retreading. There are plans to eventually visit all commands.

Tire collection centers are being established in Holguin, Santiago, Camaguey, Villa Clara, Mantanzas and Havana City. These locations were chosen because of their proximity to tire retreading sites. The centers will maintain a reserve stock of tires to allow them to respond rapidly to the demand for this item.

In addition, classes will be given in which attendees will be taught how to tell when tires are ready for retreading in order to avoid overuse which could cause irreparable damage to the tires.

Barbados

Government Calls on Iraq To Withdraw From Kuwait

FL1008215990 Bridgetown CANA in English 2131 GMT 10 Aug 90

[Text] Bridgetown, Barbados, Aug 10, CANA—The Barbados Government on Friday expressed its (?abhorrence over) the "aggressive and tyrannical action by Iraq" in its "unwarranted" invasion of Kuwait and refusing to withdraw its troops despite calls from the United Nations.

"We...join with the international community in calling upon Iraq to allow good sense to prevail and forthwith to

comply with Security Council Resolution 660," a statement from the Foreign Ministry said. The statement recalled that Barbados joined with its Caribbean Community [Caricom] sister nations at the recently concluded Caricom heads of government meeting held in Jamaica in expressing concern over the Iraqi invasion and the flagrant violation of the principles of the charter of the United Nations.

"Barbados remains a firm supporter of the United Nations and the principles enshrined in the charter including those of the sovereignty and territorial integrity of states as well as the peaceful settlement of disputes," the statement said.

It added that Barbados was, therefore, unalterably opposed to the action of Iraq in invading Kuwait and was alarmed at its failure to comply with the UN Security Council resolutions or cease the hostilities.

Dominican Republic

48-Hour Strike To Protest Economic Measures

FL1008124090 Bonaire Trans World Radio in English 1130 GMT 10 Aug 90

[Text] Union leaders in the Dominican Republic have called for a 48-hour strike on Monday and Tuesday to protest newly announced economic austerity measures in that country. The Dominican Government announced the Economic Solidarity Pact Wednesday on a bid to curb the federal deficit by cutting subsidies. They say there was no choice. The program nearly doubles food and fuel prices. It also devalued the peso and increases the minimum wage for civil servants. The government has asked the unions to call off the strike and it has also called out the troops to discourage protests.

Police Reinforcements Ordered for Santo Domingo

FL1008185990 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 10 Aug 90

[Excerpt] Major General Jose Ramon Mota Pulino, chief of the National Police, has ordered the reinforcement of police patrol in the higher area of the capital. This measure was taken after three vehicles were burned Wednesday evening. Unknown persons threw homemade bombs in the Villa Juana neighborhood. [passage omitted]

Haiti

CEP Issues Communique on Elections

FL1008143090 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 8 Aug 90

[Excerpts] In addition to the problems that continue to exist between the executive and the State Council, the Provisional Electoral Council [CEP] has its own problems as well. The CEP does not yet see evidence of good will among all the partners concerned in the electoral process, partners both national and international. The CEP asks them to respect their commitments to permit the work to be done.

The CEP calls on all institutions, all partners concerned in the process, to make a commitment. In its communique, the CEP lists the problems which—if not resolved at the level of each partner and each institution concerned— will lead to a disruption in the electoral calendar and set the electoral process along the road to failure.

Regarding financing, the CEP says it has at its disposal approximately $1 million out of the $12 million it foresaw that it would need to realize the elections in November. Much of these supposed funds have always been promises.

Among these funds are $1 million [figure as heard] the Haitian Government is supposed to give the CEP per month; and $1.5 million the United States has promised for the end of August, but the money has to go through U.S. AID, and the United Nations Development Program [PNUD] must manage it. IFES, which is the International Foundation for Electoral Systems, is going to contribute $1.5 million. [There is also] 1 million gourdes, which is paid into CDRH [Human Resources Development Center], but which is reserved especially for the civic education program. [passage omitted]

Regarding the CEP's relations with the United Nations as a partner in the electoral process, things are not yet in good shape. For reasons of procedure and form, Haiti has not yet received UN assistance—such as an observers' mission on site to assure that the electoral process is transparent; technical assistance for the coordinating committee for the security of the elections; and an unarmed military verification mission, to monitor how security measures are being applied throughout the national territory.

The executive branch of the government is not at all clear yet as to its participation, says the CEP. It adds that while the CEP itself is preparing a campaign to motivate the population and a civic education program to give those who are going to vote assurance [asirans] so that there can be wide participation in the elections, the government is doing nothing about the matter of justice, which is one of the conditions the population has required to go to elections—as the general strike against the presence of Regala and Lafontant showed.

Regarding its relations with the Army, after three meetings the two parties managed to focus on two proposals. The first was to set up a mixed Army/CEP commission to conduct an investigation into abuses being committed by section chiefs and into the conduct of certain officers denounced by the people and human rights organizations, such as the Justice and Peace Commission. The second was to bring together the electoral security agents

provided for in the electoral law and give them training and support to counter any and all threats to the electoral operations. Armed Forces commander in chief General Abraham, who promised a meeting to provide answers to these hot issues—since the military committee is not empowered to make decisions—has yet to respond, despite the urgency of the matter.

In view of this situation, the CEP issues an appeal to all institutions, all the partners concerned in the electoral process. It calls their attention to the points we just mentioned. The CEP asks them to take themselves in hand and respond quickly to permit the CEP to continue its work properly, so that it will not have to disrupt the electoral calendar.

Last, the CEP reminds all that it is maintaining its decision to not hold just any old kind of elections. For this reason, it encourages all these institutions, all these partners, to make an effort to set up a minimum of the most important conditions so that the elections can be held.

CTH Protests Lack of Union Members in BED's

FL1008163390 Port-au-Prince Radio Nationale in Creole 1300 GMT 9 Aug 90

[Excerpts] The Confederation of Haitian Workers, CTH, protests the way the members of the Departmental Electoral Bureaus [BED's] have been chosen by the Provisional Electoral Council [CEP]. [passage omitted]

In a statement to Radio Nationale, CTH secretary general Jean-Claude Lebrun said that according to reports he has received from his grassroots organizations, members of union organizations have been seriously shunted aside.

Stressing the union sector's participation in setting up the electoral process, Lebrun invited the members of the CEP to not compromise the process through their choice of BED members who are a bit dubious. To buttress his statements, Lebrun referred to a letter allegedly sent the CEP by one of the CTH coordinators in which he asked the CEP members why they had boycotted unionists in forming the BED's in our provincial towns. Here is Jean-Claude Lebrun with further details.

[Begin Lebrun recording] [Passage omitted] It is not just CTH leaders that they did not choose for the BED's. They did not choose people from the union sector at all. It seems they shunted the union sector aside and came up with a number of other people again, a number of sectors which we do not, of course, deny are in the CEP, but who are people who are sponsored by a number of people within the CEP. I mean, the way things are going, it looks as if the leaders of the 1987 CEP are trying to lead the 1990 CEP by the nose today.

We are clear as to our position: We will participate properly in an electoral process in order to install a constitutional government so we can attain the rule of law for which we have been struggling for a long time. We also say, however, that we must be allowed to participate in the electoral process at all levels. If, for example, we are in the CEP, as the union sector, along with all the other sectors, we also feel that there should be union people [in the BED's], even if they are not CTH people. They must, however, be from the union sector as a whole. [end recording]

ANDP's Bazin Calls for Support for Elections

FL1008173090 Port-au-Prince Radio Nationale in Creole 1300 GMT 9 Aug 90

[Excerpts] After Sylvio C. Claude, speaking for the Haitian Christian Democratic Party, now Marc L. Bazin, president of the Movement for the Establishment of Democracy in Haiti [MIDH] and the presidential candidate for the ANDP, National Alliance for Democracy and Progress, has called for a general mobilization in favor of the elections scheduled for 4 November.

Bazin says no one has a right to speak for the people; only the people themselves can decide whether or not they want elections and the only way to find out if they do or not is to hold the elections. Bazin says we are on the right track. He says the Army has already created a special committee for security during the elections. Bazin once again calls on all international authorities—foreign countries and all communities and institutions, such as the United Nations—to buttress the Provisional Electoral Council, give it the funds necessary to hold the November elections. We will have you listen to Bazin during an interview with our colleague, Jean-Marie Ferrari.

[Begin recording] [Bazin] [Passage omitted] We of the ANDP are going to issue a statement, probably today or tomorrow, in which we will reaffirm our conviction that only elections can get the country out of its current situation. [passage omitted]

Of course, there are people who do not want elections. I do not see, however, what alternative to elections they are proposing. If what they want is for the current status quo to continue, well, I do not think that is a reasonable position. [passage omitted]

[Ferrari] Yes, but how do you view this business of justice that people are talking about?

[Bazin] You have known the ANDP's position on that for a long time. We do not think justice is going to give us elections. We of the ANDP think that it is elections that are going to give us justice. Experience shows that we are right, for just look. Right now there is a situation in which arrest warrants have been issued that cannot be executed, which shows clearly that when you ask for justice within a structure that lacks the necessary tools—and which is not in the habit of meeting what I call the criteria of democracy—well, you can talk today, and tomorrow, and demonstrate all you want, but you will get no results. Thus, it has once again been proven that if someone asks for justice before elections, this is the same as saying you do not want elections.

And if you do not want elections, you must say outright that you do not want elections. Because the Constitution provides for elections. The Constitution says that elections are for ...[rephrases] democratic method to change governments in Haiti. Therefore, everyone who is against elections practically has an unconstitutional attitude.

Second, it is up to the Haitian people to decide whether or not they want elections; and the only way to find out if the people want elections or not is to hold the elections. Because you can tell me today, or tomorrow, that you do not want elections, and that you are speaking for the people; whereas what I see is that you do not want to give the Haitian people the floor. For elections are, precisely, the people taking the floor. [end recording] [passage omitted]

Marijuana Fields Burned in Grande Anse

FL1008160190 Port-au-Prince Radio Metropole in French 1600 GMT 9 Aug 90

[Report by Ertho Zamor, in Creole]

[Excerpt] [Passage omitted] The police have raided the Moron area, which many people consider the bastion of drugs in the Grande Anse. Several marijuana fields were burned, and the police arrested 10 of the men who are in the habit of growing this plant. A police source told us that there are going to be many other raids, so as to put a brake on this drug thing, which has become an important commodity in the Grande Anse.

Jamaica

400 Kilograms Cocaine Seized; Three Arrested

FL1108164890 Bridgetown CANA in English 1634 GMT 11 Aug 90

[Text] Kingston, Jamaica, Aug 11, CANA—Jamaican police and agents of the United States Drug Enforcement Administration (DEA) believe they have cracked an international ring of cocaine smugglers whose activities spanned Latin America, Negril in West Jamaica and Miami, the GLEANER newspaper reported on Saturday.

The drug bust which occurred last month, resulted in the seizure of 400 kilos of cocaine valued at U.S.40 million dollars and the arrest of three Jamaicans.

Egbon Peters, a car rental agency owner, Wesley Gordon, a businessman, and Daphne Chin, a sales representative, were denied bail on Friday when they appeared in the Savanna-la-Mar Resident Magistrate Court.

The GLEANER said the cocaine was traced from a Latin American country to Negril on July 26. The following day, it was loaded on to a boat off the Negril coast and taken to Miami.

Police sources said three arrests were also made in Miami after the drug was delivered there. Investigations were continuing here, police said.

St. Christopher and Nevis

Diplomatic Relations With Mexico Established

FL1008160990 Bridgetown CANA in English 1549 GMT 10 Aug 90

[Text] Basseterre, St. Christopher, Aug 10, CANA—St. Kitts and Nevis has established diplomatic relations with Mexico. Prime Minister Dr. Kennedy Simmonds who made the announcement told newsmen that he finalised the agreement while attending the 11th Caricom [Caribbean Community] summit last week in Jamaica where Mexican President Carlos Salinas was on an official visit.

Trinidad and Tobago

Authorities Continue To Round Up Jamaat Members

FL1008190090 Bridgetown CANA in English 1737 GMT 10 Aug 90

[Text] Port of Spain, Trinidad, Aug 10, CANA—Trinidad and Tobago police on Friday confirmed that a member of the Jamaat al-Muslimeen was arrested following a Thursday morning shootout at Morvant, a district on Port of Spain's outskirts. The Jamaat was involved two weeks ago in an abortive attempt to overthrow the government by force of arms.

The police witheld the name of a 29 year-old man from the Trou Macque area in Laventille who was held after his two colleagues escaped the shootout scene. The three men were seen approaching Morvant police station on the edge of the capital around 12:40 AM local time Thursday. Police officers walking in the area of the station opened fire on the men who they said were acting suspiciously.

The three men returned the fire and the police said they held one man while the others escaped. Police also said they later searched their detainee's home and found army-type clothing and other firearms.

Charges are currently being formulated against 114 Muslim rebels who participated in the uprising taking hostage Prime Minister A.N.R. Robinson, parliamentarians, and media workers. Under a subsequent state of emergency, police and soldiers have been trying to round up Jamaat supporters believed to be still at large.

State of Emergency Extended Three Months

FL1008224990 Bridgetown CANA in English 2144 GMT 10 Aug 90

[Text] Port of Spain, Trinidad [no date as received]—A state of emergency declared in Trinidad and Tobago when Muslim rebels tried to overthrow the government two weeks ago was extended for three months on Friday by the House of Representatives.

The parliamentarians met in the auditorium of the country's Central Bank since the Red House Parliament building, where Prime Minister A.N.R. Robinson and other colleagues were held hostage and was the scene of killings, is still being cleaned of the lingering stench. The meeting was constitutionally due, since the acting president, Emmanuel Carter, had proclaimed a state of emergency for 15 days and this could only have been extended further with House approval.

While the motion was successfully piloted by Attorney General Anthony Smartt, and fully endorsed by Patrick Manning's opposition People's National Movement, it did not get the support of Basdeo Panday's United National Congress [UNC]. Panday and other UNC speakers argued for an extension of the state of emergency for one month only.

While these arguments were going on, public servants were going home early, and businessmen were closing their stores because of anonymous callers warning of explosive devices being set in various places. A directive from the permanent secretary in the Public Service Ministry allowed civil servants leave to return home before actual closing time.

Pemex To Increase Exports by 100,000 Barrels

PA0908143790 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 9 Aug 90

[Text] Mexican Petroleum (Pemex) has announced that, according to its commercial policy, it will increase its oil exports. Pemex Director Francisco Rojas Gutierrez made the announcement.

In view of the events in the Persian Gulf, Mexico will increase its crude oil exports by 100,000 barrels to 1,319,000 barrels daily.

This increase is in response to requests to supply the seven percent of oil that is not being produced in the area in conflict, and it in no way affects OPEC attempts to stabilize the market.

Pemex Director Gutierrez announced that Mexico will make use of the clauses in its contracts with its customers to increase oil sales. He stressed Mexico's right to decree the price of its oil and made assurances that Mexico will maintain its long-term trade policy, which is not at all opportunistic.

Gutierrez said that if the present price of Mexican oil at $20.05 per barrel is maintained and if exports are increased, Mexico's oil revenues could increase by $375 million monthly. He said this figure might improve if the international tendency to increase prices continues.

Extra Oil to U.S., Others

PA1008203390 Madrid EFE in Spanish 1840 GMT 10 Aug 90

[Text] Mexico City, 10 Aug (EFE)—State Enterprise Mexican Petroleum (Pemex) announced today that it will distribute the 100,000 barrel per day increase in oil production among the United States, Spain, Israel, and Japan. Until now, Pemex had been exporting a total of 1.2 million barrels of oil per day.

In a press communique, Pemex stated that it will send 52,500 extra barrels of oil, in addition to the almost 700,000 barrels per day it has been sending, to the United States. Pemex will send 30,000 additional barrels of oil to Spain, for a total of 150,000 daily barrels per day. Pemex will also send 10,000 additional barrels of oil to Israel and another 7,500 barrels to Japan.

These increases, which will be in effect for two months, fulfill provisions included in the oil supply agreements that Mexico signed with those countries. The agreements include increases in the oil quotas in case of problems in the world oil market.

The Mexican opposition and oil experts have criticized the export increase, which according to them will force oil production to increase from 2.5 million barrels to 2.6 million barrels of oil per day, thus harming the overexploited oil wells in the Mexican Gulf and Chiapas State in the southern part of the country.

Press Favorable Toward Free Trade Negotiations

PA1008153590 Mexico City NOTIMEX in Spanish 1545 GMT 9 Aug 90

[Text] Mexico City, 9 Aug. (NOTIMEX)—The national press today reacted favorably to the start of free trade agreement talks between Mexico and the United States, as recommended by Mexican Commerce and Industrial Development Secretary Jaime Serra Puche and the U.S. Trade Representative Carla Hills, "provided mutual respect is observed."

The editorial in the pro-government newspaper EL NACIONAL states that signing the agreement is "at this moment the goal of bilateral relations," because as Mexican Foreign Secretary Fernando Solana said, "Mexico wishes to multiply its U.S. economic contacts."

Moreover, the newspaper stresses that the agreement will have to be accomplished within a framework of mutual respect and quoted Solana Morales' request made yesterday in Washington that "the agreement be fair, respectful of the sovereignty of both countries, and compatible with GATT commercial obligations."

EL NACIONAL also states that "if there is mutual respect, cooperation between both will yield greater benefits."

Meanwhile, UNOMASUNO believes that "the permanent and close contacts between the authorities and the producers will be crucial to Mexico" within the framework of negotiating a free trade agreement."

The paper points out that there is a need for the free trade agreement to "provide a temporary period to allow Mexican producers to adapt to the situation; otherwise, Mexican industry could disappear if the process is too fast-paced."

LA JORNADA states that the negotiations imply "a complex process in which the deadline for the signing of the agreement will depend on the maturity of the trade relations" between the two countries and the evolution of their economies in the immediate future and over the mid-term.

This paper adds that factors such as the "U.S. recession or a slowdown in its growth could eventually have a negative trading impact on the Mexican economy."

LA JORNADA states that "sudden change over the course of the international economy caused by the Persian Gulf crisis" will be a determinant factor, because it will certainly influence the U.S. trade deficit."

EL UNIVERSAL describes as a "challenge" the possible signing of an agreement, because bilateral trade relations "have until now been the source of constant friction and irritating incidents."

However, it points out that the agreement "represents an opportunity to restructure development of the productive apparatus and consolidate the one that is already established."

EL UNIVERSAL clarifies that "the conditions surrounding the negotiation are important and that they must be respected, because the risk exists that the big fish could devour the small one should the conditions not be equitable.

Finally, EXCELSIOR warns about the existing friction between the two countries, but points out that at this moment "it is advisable to act maturely" and adds that the possibility of reaching an agreement "to a great extent requires a new relationship."

This newspaper states that "the negotiations will not be easy" and adds that the possibility of a recession in the United States, which is heightened by the Persian Gulf crisis, "will encourage protectionist groups."

EXCELSIOR concludes that "crude oil could become the key to the Mexican negotiations; it will perhaps work in its favor. At any rate, the current situation is much more complex."

Daily Says U.S. Drug Report Figures 'Absurd'

PA1208130790 Mexico City NOTIMEX in Spanish 2108 GMT 11 Aug 90

[Text] Mexico City, 11 Aug (EFE)—The newspaper UNOMASUNO reported in Mexico City today that a sizable portion of the 68,000 hectares of marijuana and poppy fields that U.S. satellites supposedly located in Mexican territory in 1989 were actually alfalfa and other harmless crops.

The newspaper, which cited a report from the Mexican Attorney General's Office, stated that U.S. agents, accompanied by Mexican Federal Police members, determined that many of the fields in several parts of the country that were marked as drug plantations were actually legal crops.

A Mexican official told the newspaper that the North Americans had made a brutal error when they revealed those absurd figures of alleged marijuana and poppy crops.

The figures, based on reports from the CIA, were presented by the U.S. Department of State in March during the U.S. Congress' certification process to approve credits for countries which cooperate with its authorities in the anti-narcotics struggle.

The 58,000 hectares of marijuana and almost 10,000 hectares of poppies, calculated by the Central Intelligence Agency from satellite surveys in 1989, were four times the 17,000 hectares calculated in 1988.

Mexico obtained the certification and is considered by the United States as a country that cooperates in the fight against drugs.

The use of U.S. spy satellites to watch Mexican territory provoked protests from Mexican authorities, which have always opposed U.S. certification of other countries because it is considered unacceptable interference in their internal affairs.

El Salvador

Government Condemns Iraqi Invasion of Kuwait

PA1008044590 San Salvador Canal Doce Television in Spanish 0300 GMT 10 Aug 90

[Text] President Alfredo Cristiani's government today stated that it strongly protests the armed aggression and military occupation carried out by Iraq against Kuwait.

The government said, in a communique issued by the Foreign Ministry, that these actions represent a grave danger to international peace and security and they represent a flagrant violation of the universal principles on the peaceful solution to controversies between states. The Salvadoran Government endorses and supports the UN Security Council resolution concerning the Iraqi invasion of Kuwait. It also demands full respect for the Kuwaiti people's human rights, and it urges the international community to join efforts in favor of a peaceful solution to the problem in Kuwait.

Foreign Ministry Condemns Action

PA1108002290 San Salvador Radio Cadena Sonora 1730 GMT 10 Aug 90

[Text] The Salvadoran Foreign Ministry informs national and international public opinion on the Salvadoran Government's position regarding the Iraqi Armed Forces invasion of Kuwait.

1. The Salvadoran Government expresses its most vigorous condemnation of Iraq's armed attack and military occupation against Kuwait. It considers that this seriously endangers international peace and security and is a flagrant violation of the universally recognized principle of a peaceful resolution of disputes. The Salvadoran Government also rejects the use of threats and force in relations between states.

2. The Salvadoran Govenment regrets that these acts against Kuwait's sovereignty, territorial integrity, and political independence has occurred just when the international community has entered a stage characterized by detente, cooperation, and political understanding.

3. The Salvadoran Government recognizes the Kuwaiti Government headed by Amir Jabir al-Ahmad al-Jabir al-Sabah and supports all initiatives aimed at the full reestablishment of the inalienable rights of the Kuwaiti people and its legitimate government.

4. The Salvadoran Government demands the immediate and unconditional withdrawal of Iraqi troops from Kuwait's territory and calls on both countries to peacefully resolve their differences.

5. The Salvadoran Government gives its total support and backing to the UN Security Council's resolutions, demands full respect for the Kuwaiti people's human rights, and calls upon the international community to join forces in favor of a peaceful resolution to the problem.

San Salvador, 8 August 1990

UN's De Soto Comments on Peace Process

PA1008211190 Panama City ACAN in Spanish 1633 GMT 9 Aug 90

[Text] San Salvador, 9 Aug (ACAN-EFE)—Alvaro de Soto, UN mediator between the Salvadoran Government and the rebels, today asked the Salvadoran people "not to imagine" that a peace agreement is near in El Salvador, a country at war for the past 10 years.

However, De Soto, who is visiting El Salvador to prepare for the upcoming round of talks between the rebels and the government, said that this does not mean he has no hopes about the possibility of attaining peace in El Salvador.

"I would like to reduce the expectations of the people, although I am confident the government and the rebels will attain peace," said De Soto, who is the special envoy of UN Secretary General Javier Perez de Cuellar for peace negotiations in El Salvador.

Alvaro de Soto, mediator between the government of President Alfredo Cristiani and the Farabundo Marti National Liberation Front (FMLN), said that the negotiation agreement should be "gradually worked out," so it is very difficult to predict a quick solution.

Upon referring to the agreement that was signed on 26 July in Costa Rica, whereby the United Nations will verify respect for human rights in El Salvador after a cease-fire agreement is signed, De Soto said: "We have already started this process."

De Soto told the press that "it is necessary that the government and the FMLN reach an agreement to conclude this process, although this will not happen overnight. Therefore, it is important not to imagine that peace is near."

De Soto, who arrived on 7 August and will remain in San Salvador until 11 August, has met with President Cristiani, opposition political leaders, and leaders of social organizations to discuss the upcoming round of talks that is scheduled to take place in San Jose, Costa Rica, from 17 to 22 August.

Judge, U.S. Congressmen Discuss Jesuit Case

PA1108141790 San Salvador EL DIARIO DE HOY in Spanish 10 Aug 90 p 2

[Text] Twenty U.S. congressmen who met with 4th Penal Judge Ricardo Zamora stated their "concern" about the eventual delay of the Jesuit case trial if defense lawyers appeal to a higher court so that the case is transferred to Nueva San Salvador.

"Interjust," the Supreme Court of Justice Information System, has revealed that Judge Zamora yesterday met with the group of U.S. senators and congressmen who comprise the Moakley Commission and who have been visiting the country since 5 August.

The source has stated that the group interviewed the judge about the latest developments in the process and that they expressed their "concern" about the announcement that the lawyers defending the nine military officers who are accused of the six Jesuits' deaths in November will appeal to a higher court if their request for transferring the case is rejected for a third time.

The Prosecutor General's Office has warned that the trial might be suspended several weeks, even months, while a decision is being reached on the defense lawyers' argument that a Santa Tecla court should handle the case because the events occurred in that jurisdiction. Zamora has answered on two previous occasions that he must continue with the case because, in his opinion, the plot was prepared at the military school, which is within his jurisdiction.

The source has indicated that Zamora explained to the congressmen that the absence of certain proceedings, and the announcement that the trial will be suspended while the case is sent to the higher court, make it "theoretically impossible" to say when the case will be sent to a plenary court.

Meanwhile, the military officers' lawyers have warned that they are studying the possibility of requesting the dismissal of the case because the Criminal Investigations Commission has acted illegally.

Furthermore, the sources added, the Prosecutor General's Office has minimized the importance of the lawyers' announcement because it is considered "a tactic to delay the process" at a time when every effort is being made to get "crucial testimony" to resolve the case.

The source added that the law does not specifically state that the commission's activities will be rendered null upon conclusion of the period for which it was created, adding that the Legislative Assembly must decide if the commission is illegal or not.

Likewise, Interjust has indicated that Judge Zamora will ask the Supreme Court of Justice to request U.S. Major Erick Buckland's presence through diplomatic channels.

Judge Zamora received a note from the Foreign Ministry stating that the officer, one of the U.S. military advisers here, is currently out of the country. In addition, Buckland can refuse to come back to the country because he is not subject to Salvadoran penal jurisdiction, as agreed under Article 31 of the Vienna Convention on Diplomatic Relations.

The Foreign Ministry note states that the U.S. Embassy in El Salvador has reported that military advisers "have legal protection, privileges, and exemptions just like technical personnel at the embassy and consulate and security personnel."

The source has stated that the judge wants to question the major to gather evidence and confront his sworn deposition with that of Salvadoran Colonel Carlos Aviles, who—according to Buckland—knew that Benavides was involved in the Jesuits' murder. Aviles denied the major's statement in his deposition as a witness.

In addition, the source has indicated that the person in charge of the military school's magazine is expected to give a deposition today. He was at the military school on 16 November, when the events occurred.

Jesuit Says CIA Withholding Documents

PA1108032290 Mexico City NOTIMEX in Spanish 1836 GMT 10 Aug 90

[Text] San Salvador, 10 Aug (NOTIMEX)—According to the Society of Jesus, the Central Intelligence Agency (CIA) is withholding key documents on the case of the Jesuit priests murdered in El Salvador for "national security reasons."

Jose Maria Tojeira, Jesuit provincial for Central America, told NOTIMEX that the CIA has 21 documents on the murder of the Jesuits, which occurred in El Salvador in November.

Tojeira explained that his religious order "asked the U.S. CIA to show the documents it says it has, but it refused saying that it was against national security."

Nine months after the killing of the Jesuits and two women, the priest questioned the attitude of the U.S. Administration toward solving the murders.

Tojeira said he does not think "a government that has maintained a war that has cost 70,000 lives can be motivated by altruistic ideals."

The Jesuit provincial for Central America said that if the Bush administration decides "to wash its hands" in this case, its attitude may influence the U.S. electorate.

If the U.S. Administration ignores these murders, it may find itself facing electoral pressures soon, he added.

The testimony of U.S. military adviser Major Erick Buckland is regarded as crucial to the solution of the murders. Judge Ricardo Zamora, who is in charge of the case, announced that Buckland would appear in court almost one month ago.

However, the U.S. Embassy in this country has not presented Maj. Buckland yet in response to a recent request by the Salvadoran authorities.

Salvadoran Foreign Minister Manuel Pacas justified the U.S. refusal, saying that Buckland "has diplomatic immunity."

The Society of Jesus feels that it it necessary for the Bush administration to allow Buckland to testify "because if (the U.S. military man) does not go, it is going to look very bad."

Tojeira said there is a web of lies in the case and that there is not much hope in finding the "true culprits" in the murder.

The priest, who is of Spanish origin, said that he would be content just "to show that the high-ranking military men who have rendered judicial testimony are liars."

According to Tojeira, this system "is different to legal justice but is at least recorded by history."

The Jesuit representative in the region feels that Salvadoran President Alfredo Cristiani had no responsiblity in the masterminding of the massacre that took place in November amid the guerrillas' largest offensive ever.

"I think that (Cristiani) had nothing to do with the murder," Tojeira said, but he agreed that the head of state "has taken part in the game of cooling things down after the case began involving high-ranking personalities."

"The Salvadoran authorities feel uncomfortable because the case has begun reaching the upper crust. I imagine this makes them uncomfortable, and Cristiani has taken part in the attempt at stopping the trend," he stressed.

The Christian Democratic Party, which is the leading opposition party in El Salvador, and the Farabundo Marti National Liberation Front have accused Cristiani of "covering up the masterminds of the multiple murder."

The accusation against Cristiani arose after the president publicly admitted on 12 July that he endorsed an order to conduct a search at the Central American University (UCA) of this capital.

The bodies of the seven priests were found at UCA's installations three days after the search was made.

Tojeira said that "the military deceived Cristiani about the search. They asked him for authority after they had carried it out."

The religious man admitted that Cristiani is covering up the masterminds now but shrugged the matter off, saying: "I do not want to get to the harborers but to the perpetrators."

"Accusing the president of the Republic of a cover-up is a very delicate matter. It can be politicized too much, and this is not the most significant issue," he added.

FMLN Leader Salvador Guerra on Struggle

PA1008001390 San Salavdor Radio Cadena YSU in Spanish 1800 GMT 7 Aug 90

[Report by Julio Rodriguez]

[Text] Guerrilla commander Salvador Guerra has said that the FMLN [Farabundo Marti National Liberation Front] will go to the upcoming talks with the Salvadoran Government ready to reach several political agreements, even if they are minimal. During the most recent round of talks, the guerrillas and the government reached an agreement on human rights, which will be discussed again during the 17 August meeting. The two parties will continue to discuss topics concerning the Salvadoran Armed Forces. The guerrillas expect that the government's 33-point proposal will be presented in such a way that agreements can be reached. According to the guerrillas, the most important topic of discussion at the Caracas meeting was the armed forces.

[Begin recording] [Guerra] The FMLN says that during the upcoming talks in San Jose, it will make all efforts and express all its political will to reach other agreements, even if they are minimal. At the last meeting, that was our intention, although the government changed its position and hardened previous ones. We did everything possible to salvage anything productive. That was the agreement on human rights. The FMLN will have this same spirit at the upcoming talks in San Jose.

We are waiting for them to make counterproposals because the San Jose proposal really did not reflect any progress. In order for our positions to become more compatible, the government must be more flexible.

[Rodriguez] Will there be any change in the FMLN's position?

[Guerra] The proposal we took to Mexico and to San Jose is a compilation of several propoals made by the FMLN. We have revised our position in order to detemine what changes we would make and what changes we would not . We have been very objective and realistic. The National Guard and the Treasury Police must be disbanded because they are not needed in Salvadoran society. Besides, they have been discredited because of their connections to some murders and the death squads. We believe that they can be disbanded. Salvadoran society would understand. We do not believe that this would be humiliating for the Army or the High Command. It would be approaching the FMLN proposals. We are going to study the proposals, and we are going to try to attend these talks with a flexible attitude because our goal is peace. What we want an immediate cease-fire because this will be the basis for a lasting peace agreement. [end recording]

The guerrilla commander stressed that the government will be responsible for the conflict ending or continuing. He said that it did not depend on the guerrillas' military actions escalating. It depends on the government's attitude. Guerra, who is responsible for the FMLN's political and military activity in the country's northern area, also criticized the U.S. Government's attitude in continuing to support an armed force that is being questioned for its participation in violating human rights. He also said that the FMLN will continue to distrust Salvadoran justice if the cases it has detailed in its proposal are not solved. Guerra said that this would be part of eliminating the impunity enjoyed by the Armed Forces.

[Begin recording] [Guerra] The FMLN hopes that it will be as soon as possible. It could be at this meeting or in September. Reaching a cease-fire agreement or not will depend on the government and the Armed Forces. We have said this before. At this moment, it also depends on them if the war continues or not. It depends on them whether there is an offensive or not. They will also be responsible if the San Jose Agreements are not complied with.

[Rodriguez] Commander, you said recently that you hoped there would not be a new offensive. However, this does not mean weakness on the part of the FMLN. It just means that it is awaiting the outcome of political agreements.

[Guerra] An offensive should not be necessary. We wish that there had not been such a long war in El Salvador to make profound changes. It would have been enough to proceed with the political struggle, and through democratic ways we could have reached political, economic, and social changes here in El Salvador. However, due to a lack of democracy, and in view of the unjust distribution of wealth and so much repression, the FMLN emerged as the armed opposition. We believe that we represent the armed dignity of this country and that we are struggling for those profound changes. Our reasons are basically political. Our goal is to seek changes in our country, and that is the FMLN's current will and spirit. The dilemma is that they want to cover up for the Armed Forces and their impunity. That is another of the points we presented regarding the demilitarization of the Armed Forces. There are four cases involving impunity; they are the cases of Oqueli, the Jesuits, Msgr. Romero, and Fenastras [Salvadoran Workers National Union Federation], and they must be completed. We are not asking that everyone be tried. We are merely citing four examples of trials so that this generation and future generations can see. We are asking for there to be credibility. If the FMLN is going to incorporate itself as a political party or force to a truly democratic and changing process, we believe there should be credibility and trust. If they are negotiating and do not have the least political will for clearing up the murder of the Jesuits, or the murder of Mnsgr. Romero—these are crimes that have made a great impression on the people—the FMLN does not have any trust in the government. The FMLN will continue to have distrust, waiting to see how far the government and the Armed Forces will go. They preach that they have the political will, but they are not yielding on any point.

The United States has been involved in this war during these past 10 years. It has sustained the Armed Forces, has financed them, and has provided them with permanent military advisers. The United States has been involved in one way or another in what the Armed Forces is today. I say it is invovled in one way or another in the formation of these officers, who have now stained their hands with the blood of these murders. It has turned the war into a business. It is reponsible for the armed force that it hase created. This has been the main political role played by the United States. We believe that the U.S. Department of State, as well as congress, should cut aid and recall their military advisers as a concrete sign of what they have said; that they are willing to support a negotiated political solution in El Salvador. [end recording]

The FMLN recognized that the role being played by social groups in the negotiation process is important because their proposals concerning the talks might help at a given moment to achieve progress in difficult issues. He added that only a general consensus will be capable of bringing the parties out of their stalemate.

The rebel commander referred to the talks and said that the official delegation has backed away from certain issues. He also accused the government of playing a game—claiming that all is coming along fine in the talks—to keep up appearances in front of the people.

Armed Forces on Arrest Procedures, Human Rights

PA1108145090 San Salvador EL MUNDO in Spanish 9 Aug 90 p 28

[Text] The Armed Force High Command has announced, through a communique issued by the Coprefa [Armed Forces Press Committee], the "Plan for Arrest Procedures and Prisoners' Rights," which was implemented on 31 July in compliance with the pledges assumed by the government during the talks, and in joint agreements signed with FMLN [Farabundo Marti National Liberation Front] leaders in San Jose, Costa Rica. The communique explains that the plan "is an adequate mechanism to achieve a peaceful solution to the country's conflict in the shortest possible time."

The document confirms, among other things, that procedures will be immediately implemented according to the laws of the Republic to guarantee the people's liberty and safety. It explains that the Public Security Corps and the Army "will be able to arrest a person—without written warrant and at any hour—only if he is caught carrying out an action that is considered a crime." It will be considered in flagrante delicto "when the person is preparing to perpetrate the crime; when he is in the act of perpetrating the crime; or within 24 hours of having perpetrated the crime."

Within this same context, it includes "the arrest of persons who are chased by whoever was affected by the action; when the people report that a given person has perpetrated a crime; when the objects with which the crime was presumably committed are found in a person's possession; or when evidence is found about a person's participation in a crime." If the person is arrested by members of any Army unit, he must be immediately turned over to the nearest Security Corps facility; this includes anything that was confiscated, the names of witnesses and victims, and any other necessary evidence. The communique states that the Security Corps will only proceed to arrest a person—in addition to those caught in flagrante delicto—when a written authorization has been previously issued by a judicial authority that is fully cognizant of the case or of the crime that has been

perpetrated by the accused person. The agents in charge of the arrest must wear uniforms and they must identify themselves. The arrests must be carried out between 0600 and 1800. The arrested person must be immediately notified of the reasons for his arrest and the charges he will face, and the arrested person's relatives must be notified within an advisable period of time. The arresting agents must also advise the prisoner of his legal rights and must allow him to contact a lawyer or a person he considers convenient. The defense lawyer must be given the facilities to communicate with his client, freely and privately.

The document adds that the forces that arrest a given person must make sure that he is not morally or physically mistreated. They must also provide facilities for the judges who authorize the writs of habeas corpus; prevent events or actions that endanger the lives, safety, security, and liberty of the people; and not allow the interference or actions of groups that act outside the law—as relates to kidnappings and missing people—and they should identify and punish the culprits.

52 Army Casualties Reported in Fighting

PA0908181690 (Clandestine) Radio Venceremos in Spanish to El Salvador 0200 GMT 9 Aug 90

[Text] A military bulletin from the Central Modesto Ramirez Front states that the "Everybody to Struggle for Our Country's Demilitarization" maneuver began at 0700 on 6 August. This maneuver was carried out against two companies of the 2d Brigade, Tecana Battalion, at El Encumbrado Canton, Agua Caliente Jurisdiction, Chalatenango Department, inflicting 52 casualties on the fascist troops of the Tecana Battalion. Our forces killed 25 soldiers and wounded 27 others. Similarly, we captured six prisoners of war, three of whom were handed over to the civilian population because they were wounded.

In addition, our forces confiscated the following war materiel: 15 M-16 rifles, one M-160 machine gun, two M-69 grenade launchers, 18 grenades, one LAW, 30 backpacks, two PRC-77 radios, 10 combat gear sets, and other war materiel. Our antiaircraft forces also damaged a helicopter.

A sergeant and two radio operators are listed among the 52 Army casualties, says the military bulletin from the Modesto Ramirez Front. We salute our heroic and invincible comrades in Chalatenango Department.

Destruction of Coffee Plant in Usulutan Reported

PA0908191090 (Clandestine) Radio Venceremos in Spanish to El Salvador 0200 GMT 9 Aug 90

[Text] At 0000 today, 8 August, FMLN [Farabundo Marti National Liberation Front] columns began a maneuver called "FMLN Fighting for the Total Demilitarization of Salvadoran Society," which consisted of launching attacks on different enemy positions, the takeover of roads, ambushes, sabotage to electrical facilities, and the takeover of the important Montealegre Coffee Processing Plant, which is owned by the millionaire firm Country Live, located 1 km from the town of Chinameca. It was totally destroyed.

These actions covered the area between Jucuapa, Chinameca, Nueva Guadalupe, and the El Guayabito detour along the Pan-American Highway. The maneuvers began with an attack on defense positions in the Montealegre Coffee Processing Plant, which FMLN elements were able to occupy in a few minutes.

Meanwhile, other subversive elements assaulted the interior of the plant building, while 3rd Army Infantry Brigade troops and reservists, who were protecting the installation, fled. (?Thirty- five) minutes after launching the attack, FMLN forces totally occupied the coffee processing facilities and later destroyed the machinery and engines, as well as three trucks and various warehouses, which contained over 20,000 quintals of gold coffee that was ready to be exported. This facility was one of the most important coffee processing plants in the eastern region of the country.

In addition, FMLN forces launched an attack on the Chinameca National Guard and took over the neighborhoods of (?Yusique), El Calvario, and (?San Juan) in Chinameca. FMLN forces distributed propaganda material in these neighborhoods. Also, FMLN forces sabotaged three electricity poles that supply energy to the El Tacayal Military Base. In addition, subversive elements sabotaged part of the road from Jucuapa to Chinameca and harassed troops who protect the San Emilio Coffee Processing Plant in Jucuapa.

On 0100, two Army choppers strafed and rocketed the aforementioned densely populated area. The rebels, using antiaircraft fire, forced the helicopters to move to a higher altitude, which completely neutralized them. Later, at 0240, an Army convoy consisting of two tanks and two military vehicles was ambushed near the El Guayabito detour. As a result, the two tanks were seriously damaged and the Army reinforcements were neutralized. At 0400, our forces withrew without incident after accomplishing their mission.

As a general result of this maneuver:

1. The Montealegre Coffee Processing Plant was absolutely destroyed, as well as three trucks and 20,000 quintals of gold coffee.

2. Two tanks were seriously damaged.

3. We inflicted 10 casualties on the enemy in different attacks.

4. We seized the following war materiel: 1,200 rounds of 5.56-mm machine guns, two cartridge belts for M-60 machine guns, (?1,000) grenades for M-79 grenade launchers, four backpacks, and other supplies. We also destroyed other military supplies.

5. We destroyed three electrical poles.

This was the military bulletin of maneuvers in Usulutan Department—"FMLN Fighting for the Total Demilitarization of Salvadoran Society."

FMLN Attacks From 5 to 11 August Reported

PA1308030190

[Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador on 7 August broadcasts an eight-minute military report. The report states that "at 1030 on 6 August, FMLN [Farabundo Marti National Liberation Front] guerrillas engaged in skirmishes with two sections of the 2d Infantry Brigade near Encumbrado, Agua Calientes, Chalatenango Department, killing or wounding seven." FMLN guerrillas "seized five M-16 rifles and corresponding equipment, a TRT-77 military communication radio, and four knapsacks."

The radio reports that "on 5 August, FMLN guerrillas clashed with 4th Infantry Brigade troops in Tecomates, La Reina Jurisdiction, Chalatenango Department, wounding one of the enemy troops. On 5 August, FMLN guerrillas attacked Arce Battalion troops in the hamlet of La Joyita, San Gerardo Jurisdiction, San Miguel Department." The station adds: "On 5 August, FMLN members distributed propaganda in Dulce Nombre de Maria, Comalapa, Marro, Achotillo, and Guachipilin, in Chalatenango Department. Other FMLN rebels placed banners on Torola Bridge in Morazan Department."

The report states that "at 0845 on 5 August, FMLN guerrillas ambushed a Military Detachment No. 1 patrol traveling from Concepcion, Quezaltepeque, to Monte Redondo, in Chalatenango Department, killing or wounding six." Venceremos reports that "on 4 August at 1715, FMLN militias using grenades harassed the enemy and distributed propaganda." The station adds that "at 0600 on 5 August, "FMLN guerrillas clashed with a section of the Belloso Battalion at Caracol Hill, San Fernando, in Chalatenango Department, killing or wounding six, including a sergeant."

Radio Venceremos on 9 August broadcasts a four-minute military report with the following information: "On 7 August, FMLN rebels and clandestine militias attacked and harassed with rifle fire enemy positions at the 5 November Dam, hurling 17 grenades at the dam installations and partially damaging the electricity system, and inflicting an undetermined number of casualties. On the same day, FMLN rebels sabotaged three primary line utility poles from the 5 November Dam to Apopa." The report adds: "At 1900 on 2 August, FMLN militias harassed Cacahuatique Battalion positions at Borronoso Hill, in Yamabal, Morazan Department, but the enemy did not respond. On 3 August, FMLN rebels distributed propaganda at Piedra Parada Hill, Chilanga Jurisdiction." The report also says that "at 1700 on 6 August, FMLN guerrillas clashed with Atonal Battalion troops in Corozal Canton, La Union Department. The enemy entered a mined field and one of the enemy soldiers was killed." Venceremos also reports: "On 7 August, FMLN rebels attacked the same enemy troops in Mono Amado Canton, killing one soldier and wounding two. Our rebels withdrew without problems."

The station adds that "at 1310 on 7 August, FMLN rebels attacked 4th Infantry Brigade troops in El Chicote, Encumbrado, Agua Calientes Jurisdiction, killing or wounding one." In addition, the FMLN report says that "at 1700 on 7 August, FMLN guerrillas attacked a section of Military Detachment No. 3 in Copetillo Canton, Santa Rosa de Lima, La Union Department, wounding two soldiers. On 6 August, FMLN rebels detonated several bombs in Altos del Aceituno and distributed propaganda. At 0953 on 8 August, FMLN guerrillas ambushed a military vehicle transporting troops from the 2d Infantry Brigade along the highway from Santa Ana to San Salvador in Palo Negro, El Congo Jurisdiction, Santa Ana Department, killing or wounding six."

San Salvador Canal Doce in Spanish at 0300 GMT on 10 August reports that "military sources have confirmed that at least three soldiers were wounded during a skirmish with FMLN rebels. One of the clashes was in Cabanas Department, where two National Guard members were wounded this morning as they repelled a guerrilla attack against the Tejutepeque population. A soldier from Military Detachment No. 2 was wounded when FMLN columns ambushed a military patrol near Colorado Hill in Cuscatlan Department. Six 2d Infantry Brigade soldiers were wounded yesterday after a mine was detonated as their vehicle traveled through El Congo, Santa Ana Department."

San Salvador Radio Cadena YSKL in Spanish at 1200 GMT on 11 August says that official sources reported that at least two people were killed and three others were wounded among civilians, soldiers, and rebels in various violent actions over the past few hours in four departments. "The press committee of the Armed Forces reported that a woman was killed when a group of guerrillas ambushed a military vehicle transporting troops along a road in San Pedro Perulapan, Cuscatlan Department. The source added that a man was killed when unidentified men hurled a grenade inside his residence in Armenia, in the southwestern department of Sonsonate. Three soldiers and a rebel were wounded in skirmishes and ambushes in Chalatenango and Cuscatlan."

* Ungo on Need for Coordinated Opposition

90CA0077A San Salvador DIARIO LATINO in Spanish 16 Jun 90 p 7

[Interview with National Revolutionary Movement Secretary General Guillermo Manuel Ungo by Oscar Vigil; place and date not given]

[Text] [Vigil] What is the function of leftist forces in the process of pacifying the country?

[Ungo] The basic role is opposition to the right-wing government, and in this connection, we believe that by acting seriously and responsibly and without demagoguery, haste, or superficiality, we have become the political expression of a real opposition, and in a way, that which best defends the positions of the popular sectors. Within the process of dialogue and negotiation, we, the MNR [National Revolutionary Movement], with the Democratic Convergence, have comprised the political force which in a systematic and consistent fashion has been setting forth plans and concrete positions on peace and on the negotiated political solution. We were the ones who had a platform during the preceding electoral campaign in which there was clear talk of the stages and components in a political solution, unlike the other parties which talked of peace but proposed no paths toward a solution. Later, together with the PDC [Christian Democratic Party], and initially with the PCN [National Conciliation Party], we undertook political actions which contributed to reactivating the dialogue between the government and the FMLN [Farabundo Marti National Liberation Front], thus establishing a basis for the meetings in Mexico and San Jose. Now, in the interparty coalition, we have maintained rather similar positions, setting forth an agenda for peace based on a process of democratization. We believe that this is not entirely our heritage nor a conquest. The popular forces gathered together in the Permanent Committee for National Debate and the Intertrade-Union group have also made their contribution. What is certain is that the last agreement reached between the government and the FMLN in Caracas included all of the aspects of the process of democratization, crucial to the achievement of peace. In this process, the government deserves credit for acknowledging what was right, but the government was not really the standard-bearer on this issue. This role was played instead by political and social opposition groups.

[Vigil] What goals are you seeking, as leftists, in this process?

[Ungo] There are two basic goals—the democratization process and the peace process. We believe that the two go together, and that various pillars or basic components will contribute to achieving them. One is negotiation, and another is reaching social and political agreement, in an effort to establish an understanding allowing the achievement of the two goals. This puts us in opposition to ARENA [Nationalist Republican Alliance], while at the same time it makes ARENA an opponent of these positions. The third component is the electoral process. These are the three pillars which support and require each other, and which can be placed in the service of the process of democratization and peace.

[Vigil] How can the political spectrum of leftist forces be viewed?

[Ungo] We have not experienced a real democracy for decades, and for this reason, understanding and alliance have always been more important than the separate and autonomous profile of our own work. In 1971, we organized UNO [National Union of Opposition]. Then in 1979 we formed the Popular Forum; subsequently the FDR [Democratic Revolutionary Front]; and, next, the Democratic Convergence. Now we are seeking a broader political and social convergence. We have always felt that the demands for political development and the conquest of democracy require that we join forces, which inevitably eliminates some of the clearer outlines of identity and autonomy in each organization. As a whole, we are finding a common base, including everything from the Marxist left to centrist positions, with a view to achieving these goals. There are some substantive differences between the democratic left, for example, and the MNR, and the PDC, and also the Marxist-Leninist left, which is becoming ever more heterodox, and perhaps less Leninist. We find that common realities, goals, and history are tending to reduce the distances increasingly, but this does not mean that different identities do not exist. That would be impossible, and thus there are major differences and major points of agreement.

[Vigil] What is your view of the statements of the FMLN leaders to the effect that they are following a social democratic line?

[Ungo] Sometimes they emphasize this more, sometimes less. I would say that rather than a social democratic line, there are almost, in the world at this present time, only two main political-ideological profiles—that which is neoliberal and that which is socialist-democratic. Social democracy is found within the latter context, but we cannot claim for ourselves the sponsorship nor the exclusiveness of a socialist and democratic line. I believe that some parties within the FMLN may even move closer, following the failure of real socialism, to what democratic socialism or socialism with democracy represent, closer to the positions of official social democracy with which those of us in the MNR are affiliated. I would attribute this to three factors. First there is the collapse, defeat, or deterioration of real socialism. This is not a new phenomenon, but one which has been developing for some time. Eurocommunism was one of the first expressions critical of a stereotyped, dogmatic real socialism. Then there was a development toward the collapse of real socialism. I believe that this is a structure which has now been undermined. Second, within our own Salvadoran reality, a number of FMLN organizations have been developing their own practice, their own experience, and thus their own theory in an increasingly developmental field. For some years, now they have incorporated the electoral aspect. We have also seen articles by Ferman Cienfuegos, Joaquin Villalobos, and others, following a trend toward a more democratic form of socialism. And third, there will be a fashionable and opportunistic process involving two choices, two ideas vying for supremacy on the international level. Neoliberalism will compete with democratic socialism, with the choice, obviously, of bending toward the latter.

[Vigil] To what are you referring when you say real socialism has been defeated?

[Ungo] I mean that socialism for which the communist parties were the standard-bearers, socialism which developed in Eastern Europe, and the positions of the communist parties in Eastern Europe, have collapsed. The so-called "real socialism," socialism of the Marxist-Leninist type, has, in concrete practice, proven itself incapable of reflecting the aspirations of the people.

[Vigil] What effects have the changes which have come about in Eastern Europe had on the social democratic movement in Latin America?

[Ungo] In general terms, the changes in Eastern Europe have been claimed by the right wing as its triumph, which seems false to us to a great extent. Not totally false, but false to some degree. Democratic socialism also claims these developments as its successes.

What these changes are doing is to validate different ideological positions—those of the neoliberals and the democratic socialists. Here in Central America, there has been no major impact other than the acknowledgment of what is happening elsewhere, and an attempt to reorient certain positions. Since the foundations for the open expression of a Marxist-Leninist socialism position did not exist here, the impact has been less forceful.

[Vigil] What political space does the left wing control in this country?

[Ungo] This is the great question. We still occupy a limited space. We have used the metaphor of an iceberg of substantial size, the greater part of which is underwater, in view of the fear and the refusal of the government and the state to permit a principal right, which is the right to life. Because of this, many people are extremely cautious, refraining from political action in order to avoid extensive and brutal repression like that which existed for 10 years, and which accounted for more than 70,000 victims—more than did the war. In this connection, our space is still limited because of this atmosphere, where formal freedoms prove largely false or superficial, since they cannot be exercised. Here there are few of us who dare to say a number of things, though not everything. We are gaining, little by little, more and more of this mass is emerging above the surface. I believe that as real mass we can no longer be shunted aside, and everyone recognizes that we are, in fact, the third force, the Democratic Convergence. And they acknowledge that there is much more to us than what appears above the surface, just as our potential is being reduced because the submerged mass is rising to the surface and will emerge if a process of democratization begins to develop.

Guatemala

Armed Forces Says Army 'Cannot Be Reduced'

PA1108043890 Guatemala City PRENSA LIBRE in Spanish 10 Aug 90 p 4

[Text] Armed Forces spokesman Colonel Carlos Duran Hernandez said yesterday that the National Army cannot be reduced because according to international agreements it should have 90,000 men, and it now has less than 50 percent of that amount.

Interviewed in his office on the sixth floor of the Military Social Security Institute (IPM), Col. Duran was asked about a possible reduction of the Army, which was recently announced in Antigua, Guatemala by the presidents of Honduras, Nicaragua, and El Salvador.

Col. Duran said that Guatemala must talk about a reorganization—not reduction—of the Armed Forces, because according to international agreements, the Army should be comprised of one percent of the population, which is currently estimated at approximately 9 million inhabitants.

The officer continued: If we check the population, the Army should have 90,000 members. However, we do not even have 50 percent of that amount, so one cannot talk about a military reduction.

Col. Duran later said that the Guatemalan Army is recognized on the international level as one of the most professional armies on the isthmus, and this guarantees the country's security and sovereignty.

Bomb Found Near Site of Cerezo Meeting

PA1008131390 Panama City ACAN in Spanish 1546 GMT 8 Aug 90

[Text] Guatemala City, 8 Aug. (ACAN-EFE)—Police reported today that an explosive device was found last night near the headquarters of the Guatemalan Christian Democracy (DCG), Guatemala's ruling party, where President Vinicio Cerezo, several cabinet ministers, and DCG leaders were holding a meeting.

The bomb was found by members of the security corps, who surrounded the area to protect the president, who was at DCG headquarters to attend an event to honor official presidential candidate Alfonso Cabrera for his efforts in favor of peace in Central America.

Answering questions from the Guatemalan press, Cerezo attributed the action to "terrorist groups that are trying to create a climate of instability and unrest among the population."

Cerezo warned those groups that "the government is determined to hold free elections within a democratic framework."

Presidental elections are slated to be held in Guatemala on 11 November.

Cabrera described the incident as "a practical joke," while DCG Secretary General Catalina Soberanis deplored it, saying that actions of this type create a climate of insecurity.

Defense Ministry Reports Two Killed in Clash

PA1208231590 Mexico City NOTIMEX in Spanish 2007 GMT 12 Aug 90

[Text] Guatemala City, 12 Aug (NOTIMEX)—The Defense Ministry today reported that two people were killed in an armed clash between guerrillas and the Guatemalan Army on the slopes of Fuego Volcano, in western Guatemala.

The ministry indicated that a military patrol "surprised" members of the Guatemalan National Revolutionary Unity (URNG) last night as they were going to nearby towns to "harass the peasants."

A guerrilla and a peasant were killed in the clash.

The ministry added that the presence of guerrillas on the slopes of the volcano has increased over the past few months and that there have been several armed clashes.

It also reported that two soldiers were killed and 28 were injured on 11 August when the military vehicle taking them to northwestern Guatemala overturned.

Three Radio Station Transmitters Set on Fire

PA1308002190 Guatemala City EL GRAFICO in Spanish 6 Aug 90 p 3

[Report by Rolando Morales Zetina]

[Text] Coban, Alta Verapaz, 6 Aug—Unidentified individuals set fire to three radio station transmitters in Chichaic, two km from Coban.

The sabotage took place at approximately 0200 on 5 August. The armed perpetrators took the guards by surprise and sprayed the installations with fuel—apparently gasoline—set it on fire, and fled.

The affected transmitters belong to Radio Norte, owned by Esperanza Sosa, Efrain Morales Zapata's widow; Radio Coban, owned by Raul Chenal; and Stereo Hit, owned by Raul Najera Rojas. The second station suffered the greatest damage.

Losses were estimated by the stations' personnel at 70,000 quetzales. There are no clues as to the identity of the perpetrators.

An organized search to track down the saboteurs was started, but by nightfall there had been no results.

Mr. Antonio Poou, the watchman on duty at the plant, stated in his complaint that four unknown persons with masks over their faces arrived at approximately 0200 in the morning. "They carried short-barreled weapons and threatened to kill me. Then they sprayed gasoline and set the place on fire. The flames spread quickly," Poou noted.

The watchman added that a pregnant woman, who was in Radio Coban's plant at the time, had to be treated for shock. Area residents stated that the sabotage may have been carried out by a rebel group. However, the possibility that common criminals may have done it was also mentioned.

On another matter, reports from Santa Cruz del Quiche, El Quiche Department, indicate that a group of men, allegedly from the Poor People's Guerrilla Army, have blocked traffic on the Santa Maria Nebaj road. As on other occasions, these men have forced the few people traveling along that road to pay a so-called "war tax." This kind of operation has been on the rise here, in other areas of El Quiche, and in the country's southwest region, chiefly in Suchitepequez, San Marcos, and areas of Quetzaltenango Department.

Honduras

Colonel on Campaign Against Subversive Groups

PA1108002590 Tegucigalpa EL HERALDO in Spanish 9 Aug 90 p 4

[Text] Colonel Oscar Flores, armed forces public relations director, said on 8 August that the military institution is not trying to implement an "eavesdropping" or a "gossip" system. He added that what is being sought is the citizens' collaboration in dismantling any subversive elements in the country.

In the past week, the Armed Forces have launched a campaign to detect arms trafficking and subversive activities. It has requested citizens to collaborate and report by telephone or other means any terrorist cell or arms shipment that they know about.

"It is a known fact that because of its geopolitical position in the Central American isthmus, Honduras has been used as a bridge to traffic arms to neighboring countries and to supply criminal groups that have tried to disrupt the internal peace and democratic stability in our country over the last few years," read the Armed Forces bulletin announcing the initiative.

However, Col. Flores said that some people have criticized the Armed Forces initiative and some have even voiced their views and irate positions in the sense that this (campaign) induces eavesdropping in the country or that we are moving backward.

Col. Flores denied that the Armed Forces promotes campaigns of this nature, stressing that they act within the framework of the Constitution.

He added that those positions are capricious and unfounded and show a lack of understanding for the Armed Forces' wholesome spirit.

Col. Flores showed several posters illustrating the procedures to be followed during the campaign to detect "terrorists" and arms shipments, noting that whoever supplies that type of information will receive a good reward.

Regarding the campaign, Col. Flores said that the main objective is to invite citizens to collaborate with the Armed Forces, particularly with the Public Security Force (FSP) in carrying out its functions.

"We want to state the following: Measures are being adopted, such as confirming the number of the telephone from which the person is making the call, because the Armed Forces do not believe in clues, rumors, or—evidently—pieces of gossip. Instead, we believe in reliable information that is investigated by our agencies to verify their truthfulness. We will investigate the type of activities being carried out by the person who has been reported only when we have investigated all the rational elements," the military spokesman stated during the news conference, which was also attended by Lieutenant Colonel Jose Oscar Flores and journalist Juan Sierra Fonseca.

Following the news conference, there was a display of some of the weapons that have been confiscated during the last 10 years.

Nicaragua

Godoy Analyzes First 100 Days of Government

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["Roundtable" program on the first 100 days of the new administration with Vice President Virgilio Godoy as the special guest, an unidentified moderator, UPI correspondent Osvaldo Bonilla Henriquez, Radio Catolica codirector Alberto Carballo, "21 Hours" newscast director Fernando Centeno, and a call-in audience—live]

[Text] [Moderator] Radio Catolica believes it is very important to analyze the work carried out by the National Salvation Government during its first 100 days in office. We believe it is important not only to analyze what has happened, but also to study the challenges that must be faced by a people who have trusted in and have placed many hopes in the new government and who have said they are disappointed with the current situation, which has been characterized by an increasingly acute economic crisis and by few political changes, when compared with election campaign promises.

We want to ask Vice President Virgilio Godoy for his opinion regarding the first 100 days. We want to ask him how he, as political leader of the National Opposition Union [UNO] and as vice president of the country, thinks he should respond to the people who voted for him and for President Chamorro on 25 February. We will now turn the microphone over to Dr. Virgilio Godoy.

[Godoy] Thank you. Good morning, listeners of Radio Catolica. I have recently said that it is not simple to make a general evaluation of the first 100 days of this government, but this [words indistinct] because it was the government who set for itself a 100-day deadline to reach certain goals. This means that the 100-day period that expired recently should be analyzed from two angles.

One angle would deal with the achievements and the consequences of official measures. The other angle would concern what has not been done and perhaps will not get done.

I believe it is not useless to repeat that the most important accomplishment of these 100 days has been peace. No other achievement can be more important or as important. No achievement can come close to this one.

This is important, especially for young Nicaraguans who for more than five years were forced to serve in the military, had to fight in the mountains, and saw their hopes die in the barracks. Apparently this is coming to an end, because although there is no law yet that eliminates military service, at least recruitment has been suspended, fighting has ended, and the young people are renewing their hopes at work centers, in schools, and everywhere where they can do something for their own benefit.

At the same time, peace has led to the disarmament and demobilization of the Nicaraguan Resistance [RN], which also means a first-class contribution to the consolidation of this peace process that has barely started in Nicaragua.

In the second place, we have said at other times that another extremely valuable political achievement of these 100 days is the recovery of full freedom of expression in our country so that thoughts can flow in Nicaragua from the electronic media and the press. This includes personal freedom under any circumstance and in any part of our country.

These are, in my opinion, the two greatest achievements of these 100 days. However, when one normally mentions the 100 days, one frequently mentions those achievements that were not met. These are basically economic or social economic issues. Inflation continues, unemployment continues, and these serious issues evidently depress our Nicaraguan society. They are apparently [word indistinct] of the first 100 days of the government of national salvation.

I feel that very little—if anything at all—has been achieved in these areas. Unemployment is evidently very high. We do not have exact figures because Nicaragua continues to be a country with no statistics. It has been estimated that unemployment is between 30 to 40 percent. If we take into consideration temporary employment, these figures rise.

Even for those who are holding jobs, revenues have dropped, and people are having a hard time meeting expenses and buying staple goods. They are having a hard time because salaries have been very low for a long time. It has been pointed out that one of the greatest

miracles of the previous regime was that of having taken away from the poorest country of the Americas—Haiti—the championship of poverty. Nicaraguans were earning an annual per capita income of less than $300, according to statistics. Actually, it was probably worse than that.

This situation is getting worse because inflation is a normal everyday event and revenues are dropping. In general terms, there have been political achievements. Political ambitions are still waiting for the possibility of finding a goal for which to strive.

[Moderator] We would like to ask you to start by commenting on the challenges, taking into consideration that you are a vice president of the Republic who has no government functions. If you had these functions, you would have to channel them....[corrects himself] your responsibilities, according to government guidelines. However, since you are—like it has been said—removed from power, how are you going to repay the votes that the Nicaraguans gave you, along with Mrs. Chamorro, on 25 February?

[Godoy] I believe that this is the way to face the situation. I might add that this does not only apply to my case, meaning that I am part of the government, even though I have no specific duties whatsoever—except those resulting from the general treaty for the creation of the Central American Parliament. The other vice presidents of the region and I are assigned the task of being the highest political officials to verify and follow up on the process concerning the parliament's installation. This also includes the Central American integration process and, particularly, the PEC, the Special Program for Cooperation in Central America, which recently started.

I believe that the first task for those in charge of the government's administrative affairs—and for those who, being part of the government, have no specific task—is to protect the Nicaraguans' illusions and hopes for a better future. I say this because it is no secret that a great despair seems to have spread among the people in recent weeks because they feel that all those things they dreamed about and were promised during the campaign are becoming increasingly impossible to achieve.

We think that optimism should prevail so that, when the moment to start achieving those goals arrives, Nicaraguan society will have the necessary energy to embark on the chosen road with the strength and the will to successfully achieve the goals. Therefore, I think we must protect the unity that gave the victory to Nicaragua in February this year. This unity should also guarantee that the National Salvation Government will achieve its goals some time within the period for which it was elected.

Those who are directly involved in government tasks, meaning those who have the financial purse in their hands, those who have the power to coerce, and those who are in charge of executive issues should strive to fulfill the promises they made to the Nicaraguans—not only within the general context of the National Salvation Government's platform, which has been partially implemented so far, but also concerning the other offers that were made during the months of the electoral campaign in different sectors of the country. The offer was to achieve the country's rehabilitation—politically, economically, culturally, and socially speaking.

This is certainly a big task that implies, when talking about unity, maintaining efficient organization levels that enable the government to find solutions to the people's problems when no one else can solve them. It implies that the government must prepare the groundwork for launching its various economic and social programs.

[Moderator] Two people want to participate in the roundtable discussion from the telephones of Radio Catolica. We will now give an opportunity to the person on the 70-8-93 line to voice his views; you may begin speaking now.

[Caller] Good morning Dr. Godoy, my name is Juan Jose Manzanarez. I want to address you this morning. I already gave you my name, but I am willing to repeat it if you like. Dr. Godoy, you were elected as vice president of Nicaragua, on the same ticket as Dona Violeta, to occupy an important position in the country. However, it is very sad for the Nicaraguan people to see the differences between the president and the vice president. We do not know why this is. We may attribute these differences to a number of things, such as arrogance, a strong character, or simply to the fact that you and the president do not get along well. Throughout the history of the world, we have never seen a vice president isolated from the president. Dr. Godoy, I ask you—and I hope Dona Violeta is listening because this concerns her, too—if the president is arrogant and she does not receive good advice, this is the right time for you and Dona Violeta to settle your differences because he who yields becomes powerful. If you yield your position, you will become more powerful. If you stop being vain and pretentious—and maybe you are not—or if you set Virgilio Godoy aside and think for a moment of Nicaragua and publicly ask Dona Violeta, what is the matter with you? I was elected by the people to work together with you. If you settle your differences with the president and behaved humbly, you may become the most humble president of Nicaragua in the future. Therefore, I ask you: if you maybe have been arrogant with your people, I now urge you—since this is a national reconciliation government—to reconcile with Dona Violeta and vice versa. This is my question. If you continue to be arrogant, you will be disappointing your people, but if you stop being arrogant you will not fail your people. This is my question. If you stop being arrogant and behave like a humble [words indistinct] because you are a leader, whereas I am not. This is what I ask you. If you have thought about being arrogant, you should stop behaving like an arrogant person; if you are no longer a rich person, you should stop behaving like a rich person

[repeats himself]. You should start thinking about the people. Thank you very much.

[Godoy] Well Mr. Juan Jose, it seems my arrogance consists of allowing those who run the government to do whatever they please. If they want to let me speak... [changes thought] by the way, now the television is here. The other day, I was not allowed to speak on television because they said they were very busy doing other programs. Now, they are here recording this conversation.

Well, I have not made any demands. They said I could not be at the presidential palace. Very well then, I accepted the decision by whoever made it. They said work would be delegated to me, but they have not delegated the work, and I have accepted this. No work is delegated to me because there is no will to do so. I do not have an official office. Why is one not assigned to me? If this is the will of those who govern the country, then I accept this. I do not know if you could call this arrogance. What I do find difficult is to seek pardon for something wrong that I have not done, for errors that I have not committed, or for mistakes that I have not made. I do not know what to call that. Anyway, my relations with the lady president—I repeat for the umpteenth time—have been very normal. In fact, not only normal but cordial. However, it all ends there.

There has not been any other type of contact, because if I am not given any functions and there is no reason for me to beg for them. If I am not given the functions that correspond to my post, I am not going to insist too much on that.

I also believe that my situation is a little bit special. I have already said and I reiterate it today that I insist on keeping the word I gave to the Nicaraguan people when I signed the UNO government program and when we made our commitments during the campaign. I cannot forget my commitments, and they are more important than having to give up an arrogant attitude. I am not the Nicaraguan vice president simply because I wanted to be. I am the Nicaraguan vice president because the people supported me. Those people believed and still believe—I think—in the implementation of the National Salvation Government program.

However, I am not going to stop pointing out this issue. The government program is a commitment—in fact, it is a written commitment. The program is not just mere words that can be swept away by the wind. As long as I have the energy, I will insist upon the fulfillment of that government program, which is a commitment made to the Nicaraguan people that they are hoping to see fulfilled. People have the right to protest if somebody refuses to fulfill that program. As far as I am concerned, I will insist as much as necessary on the total fulfillment of that program.

[Moderator] As we said earlier, Mr. Osvaldo Bonilla Henriquez, UPI and Voice of America correspondent, is participating in this roundtable. Mr. Bonilla has the floor now.

[Bonilla] Let me elaborate on the subject brought up by Mr. Manzanares de Leon who said that Virgilio Godoy should be a little more humble so that he is assigned the functions that correspond to the country's vice president. During a Democracy on the Move program broadcast by the Sistema Nacional de Television, however, Presidency Minister Antonio Lacayo said that the most important thing is that Virgilio Godoy owes loyalty to President Chamorro. Thus, if what Mr. Virgilio Godoy just said here about his relationship with Mrs. Violeta being not only normal but also cordial is true, and if the man who is right next to the president, the president's adviser, the one who is called Nicaragua's strongman, the one who rules Nicaragua talks about loyalty: is it loyalty to say that Virgilio Godoy is disloyal to the president? How can there be, or how can he ask for loyalty, or how could there be loyalty if on the one hand the vice president says his relationship with Mrs. Violeta is cordial and friendly and on the other hand the presidency minister talks about disloyalty?

Also, a government is expected to fully govern a country. Governments are supposed to have wide social, political, economic, and military control. I wonder how a government that lacks control over one of its components, which in this case is the Army and the Sandinist Police, can govern?

Former Nicaraguan vice president Sergio Ramirez Mercado already explained the points of the transition agreements that have and have not been fulfilled. As for the points that have been fulfilled, he said that this is the first time a rightist government rules a country with a leftist Army, police department, and security department. How do you integrate these things into this government of national salvation?

[Godoy] That is one of the biggest difficulties that this government has had to face since its inauguration.

As I said, the leaders of the former ruling party—now in opposition—even thought about turning over the government but never yielding power. In other words, they said they would never surrender armed institutions, and they have kept them. I believe that the mentioned difficulties stem from the decision to have General Ortega head the Armed Forces; I considered this wrong and criticized it from the beginning. Gen. Ortega is among those who said that they would never yield power and that perhaps the most they would surrender was the government. In other words, the administration.

Therefore, because of this first mistake, the government has had to admit that it is simply engaged in the task of management and that it is not wielding power. Despite efforts being made, I think this is similar to when stockholders in a company are trying to decide the real policy. I said that under these conditions, there is a means to counteract and counterbalance this so that the government begins to wield power and not simply manage; the people are this means. The government should call on the people's support to promote and

implement measures. However, this was not and has not been done. It seems there is no clear determination to do this. Therefore, under the current conditions, those ruling the country are almost inevitably under the [words indistinct] true power.

Reportedly, on 2 August, a high ranking government official talking to high level executives from the private sector said there....[changes thought] Many decisions have been made under the pressure or threats of a coup uttered by the chief of the Army. If this is true, this means that there is greater reason to resort to the people's support to counteract that influence of real power embedded in the Army. The dismissal of a government official who acts in such a way should have taken place quickly.

Therefore, we have not so much a contradiction as a a difficulty that could exist for a long period. I have said on other occasions that this is a matter that deals with various viewpoints. On the one side, there are some of us who thought the government could have adopted some measures to quickly correct this imbalance. On the other side, there are those who consider this can be done gradually, even if it is extremely slow and could take place during the full existing term, the next term, and so on, into the next century. In the end, perhaps when we reach the year 3,000 we may have a better balanced society from the point of view of handling power. There are some people who have narrow-minded viewpoints.

This morning I was reading the 29th issue of the German DER SPIEGEL magazine which has a report on Nicaragua. There is a sentence that reads, and I quote: The chief of the Army is our best insurance against Virgilio Godoy's aspirations for power, end quote. This has even been admitted by government spokesman Danilo Lacayo. Therefore, if the magazine's article is true, and if what the government official statements to high level executives from the private sector is also correct, we are simply in the presence of a government team that virtually feels prisoner of [words indistinct] military power. This is a truly uncomfortable position that can hardly be solved in a slow manner. Other kind of solutions should be found to determine if the Nicaraguan people gave a mandate to the government to act in this manner or according to the promised policy of implementing changes. However, people would like to see changes implemented soon and not over an indefinite number of years.

[Reporter] What about the issue of loyalty we were....

[Godoy, interrupting] As for loyalty, this is an issue that has been broadly discussed and that has been brought up by two men who are supposedly the two strongest men in government: Deputy Alfredo Cesar and Minister Antonio Lacayo.

They have misunderstood the meaning of the word loyalty. If they look up the word in the dictionary, they will see that loyalty means acting with straightforwardness and sincerity. It does not mean being an unconditional supporter or to be subject to anyone's caprice.

I personally feel that I have been loyal. On 25 April ...[corrects himself] February, I am sorry, I offered my loyalty to President Chamorro, and that is what I have tried to do. That is why, as I said, my relations with her are not only normal, but cordial. However, that in no way means that I must agree with mistakes. I already mentioned some of them. One of them was retaining Gen. Ortega in the highest military post, when he should have been retired. In Nicaragua, Gen. Ortega is a symbol of insubordination. He recently said in Costa Rica that he will remain in his post for as long as he deems it necessary and that he is not subject to the caprice of President Chamorro. He participated in a meeting as minister, although he is not a minister—at least that is what has been said. He went to a security meeting that has just ended in San Jose approximately four days ago. Gen. Ortega is also a symbol of Nicaragua's past. [Words indistinct] was the first mistake.

Loyalty also means pointing out that not being prepared to assume the government was an error. That lack of preparation included not appointing the cabinet in time. The names of the Cabinet members were announced the same day of the transfer of government, of the presidential inauguration at the stadium. There were hints and rumors, but no one knew who the members of the cabinet would be. Therefore, there was no preparation. In some cases, cabinet members were selected hastily. Hence, there was no possibility of drafting a duly analyzed plan beforehand to begin the new government's work.

To give you an example—and this is a loyal, sincere, and correct criticism—no one knew what credit policy the new government would implement for the agricultural cycle that was to begin shortly after the transfer of power. No one knew. This could have been announced or at least suggested since March. However, the appointment of Cabinet members was negotiated—not to comply with the (Banbana) Agreements, but probably to back other types of projects. In my opinion, this led to the third error, which I have also publicly criticized.

Another mistake was the government's alleged neutrality toward the political forces in the country. An alleged neutrality that [words indistinct] the UNO [National Opposition Union], as this government would not exist without the UNO. Without the support of the people who were behind, inside, or alongside the UNO, evidently this government would not be in power. Its electoral platform would not have won or succeded.

However, after the elections were won, we were told that we have nothing to do with the UNO; that we have no commitments; and that the government has become independent from its original slogans, from the UNO parties, from the business organizations that joined the UNO efforts, and from the independent labor groups

that supported the UNO and worked together with it. This was a maneuver by the government, which extended its hand to the enemy—which in general terms is correct. However, it is not correct to have withdrawn its hand to those who supported it: the UNO, business associations, and labor unions.

Well then, loyalty could be along those lines. For example, to point out how things should be handled. Perhaps I am wrong, perhaps I am not entirely right, but I am trying to shed some light on the country's political events and on national events that will allow us, in turn, to analyze in depth what is happening.

That is one way of expressing loyalty. Some believe there are other types of loyalty and just say: Good morning, sir; may I help you sir; what do you want me to do, sir; where do you want me to go, sir; yes, sir; of course, sir. I just do not understand that type of loyalty.

There is another problem that I was trying to bring up at the beginning. We are obligated to a certain type of loyalty, and that is the loyalty to the people who elected us. We owe loyalty to the people who elected us. Loyalty also means acting in a correct manner, helping the people, and complying with the promises we made to the people.

[Moderator] We now have a caller on telephone number 7-2498. Go ahead, caller.

[Caller] I am Dr. Gisela Paguaga. [Words indistinct] of the many issues you have discussed. Everyone knows here and abroad how the Sandinist National Liberation Front [FSLN] rose to power to steal and to rob the property of all the millionaires and of all the Somozists. In the second place, the Sandinists robbed the millions [words indistinct] the people had in the famous [words indistinct] and left everyone out in the street.

Now, a third group came up, and this one is outrageous. Never before in our political history have we seen those who were appointed to government positions rob everything they could find and leave the ministries and offices empty. They did not steal the buildings because they could not take them with them.

Now, I am addressing my specific question to Dr. Virgilio Godoy, who is a lawyer, and therefore he knows about international law. What this government is now doing—or rather what those who are giving out the orders, because the FSLN is actually giving out the orders—is causing destruction and death and murdering the UNO people.

Former President Ortega is keeping his word. Actually, he is failing, because on the one hand he promised it would be a peaceful transfer of power. He said it would be peaceful, but he knew very well that he was going to do the opposite.

My question is: Could this be solved through international organizations? Could we contact the four governments that supported us, the opposition? Could we then take this issue to the United Nations, but not to the OAS, because the OAS is inoperative and its delegates only meet to chit chat and so forth. Let us take this to the United Nations, where the entire world meets. The United Nations should then decide what to do, and maybe then this should be taken to the International Court of Justice. This cannot be left just like that. That is the way I feel.

They already waged a third strike. Apparently, they are going to continue striking, striking, and striking, because they just don't understand what this is all about. When the Pope visited us, they jumped up and down, hoisted their flags, and screamed: We want peace, we want peace. They know perfectly well they are pro-war people. Right now, it would be terrific it they took a few of those battalions to help Iraq. That would be marvelous; send a few squads, led—of course—by the nine [FSLN commanders]. There, they could prove if they are generals or not.

Dr. Godoy, my question is: Can this be settled by asking for help from the rest of the world? Just look at how the estates are being invaded by squatters. Who are the ones involved in those takeovers? The Sandinist leaders themselves. [words indistinct] other means, such as the cooperatives.

[Godoy] This is one of the most sensitive issues in the country. It is one of the most serious issues, and it is one of the commitments we assumed. That is democratization, which means we had to demilitarize the country. We have already started an initial action, picking up weapons that are in the hands of civilians, who have now become true threats against the UNO people.

What is happening here is the most surprising thing of all; it is the people of the former regime who are armed to the teeth, and they are accusing the people of the UNO of being responsible for the disturbances. We have just seen the murder of this young man William Gonzalez from the Fifth District, a neighborhood in Managua. We also saw the brutal beating given to Carlos Aranza from the same district and the persecution of the UNO leaders in Ciudad Sandino, District One, and throughout the city of Managua. Why is all of this happening? All of this is part of the ill-fated inheritance from the politicization of the Armed Forces. This is why the demilitarization of the nation is necessary. This is why the disarmament of the nation is necessary. The members of the RN have already given up their weapons; they have demobilized and are now preparing to become producers or cattle-breeders. They will become useful men to the economy of the nation. But there are others who have not given up their weapons. There are others that are threatening the defenseless community with the weapons that they were supplied with during those ill-fated eight weeks between 25 February and 24 April.

There is a commitment, Mrs. Paguaga—signed first at Contadora and later reconfirmed during the Esquipulas negotiations process—to reduce the military forces, and there is also a commitment to disarm the civilian population. The meeting that General Ortega attended in San

Jose dealt with this matter. There is no reason why Nicaragua should have a 40,000-man army. They said that previously there were 90,000 soldiers and that they have demobilized 50,000 men. Who knows how they did this. They must have done this by magic because nobody has knowledge of this. I think there are too many soldiers and to this one must add the police force and the state security force, which after its dissolution, was incorporated into the police and the Army. We really have a very critical situation on our hands from a military point of view. There are no possibilities of pacifying the country while there are so many armed persons. So it might be possible that in the near future the government will ask a technical commission of the OAS or the United Nations and even the European Community, so that they do not say it is a one-sided decision, to tell the government how large the Armed Forces should be in Nicaragua. That is, in case Nicaragua should require a military force of some kind. In my opinion, a good police force would be enough.

This is not an easy problem to resolve because those who control the military weapons are the ones who lost the elections on 25 February. Nevertheless, I must point out—because one must be fair—that not all those in the military see things the same way. Not all the policemen are ready to harass each and every UNO member they come up against. There are, within the two armed institutions, small groups that are trying to tell the country that they simply want to be professional institutions of policemen or the Army and not political institutions for the benefit of a party like the one that left the government last April.

[Moderator] Now Alberto Carballo, Codirector of the "Church" newscast, will speak.

[Carballo] Dr. Godoy, a few weeks ago the media was talking about a plan or a project headed by Dr. Godoy, as vice president of the republic, to oust or to take over power in Nicaragua. Here, we also have the magazine [word indistinct] in which you say... [changes thought] it also points out that Dr. Godoy mentioned that he was going to take over power in less than a month. This project, this plan, also tries to implicate the church—through Cardinal Obando, some priests, and some of the media which have identified themselves with the democratic struggle in Nicaragua.

What does Dr. Godoy, as vice president of the Republic and as a person and citizen of Nicaragua, think about the information that has even been voiced by some of the Nicaraguan media and tries to discredit the work being carried out by Dr. Godoy through his office and his party?

[Godoy] A lot has been said on this subject. I regularly receive as a gift at my office at the UNO headquarters the newspaper GRANMA, which is printed in Havana and is the official mouthpiece of the Communist Party of Cuba [PCC].

The 30 July edition features a long report on the plot to oust Violeta Barrios' Government, and it is signed by [name indistinct]—I do not know if this is a man or a woman because the name is really strange—and it is datelined Managua on 28 July and attributed to PRENSA LATINA.

This is interesting because the report was provided by a man who has strange customs and works in a radio station that was stolen. That is where the report started. It was said that Godoy and the U.S. Ambassador-....[changes thought] They even try to suggest that His Eminence Cardinal Miguel Obando y Bravo was involved in the plan to oust the government.

Anyway, the curious thing about this is....[changes thought] How am I supposed to do this if I do not even have an office? How am I supposed to do this if I do not have the AK's, the tanks, or the helicopters that Mr. Ortega has? How am I supposed to do this if I do not have an army or police? How am I supposed to do this if I do not even have access to the cabinet sessions? Even though I am a member, I am not notified when, at what time, or where the meetings will be held.

This is evidently an effort to divert the people's attention from other things. Those who are capable of an ouster are those who control the weapons. They are the only ones. Consequently, His Eminence the cardinal has never, ever, even tried to get involved in plans to oust the government—not this one or any other. His pastoral work is entirely different—it is directed at the people's consciences and it is intended to guide Christians. It has nothing to do with this other thing.

Referring to the U.S. ambassador, I think he has much more important things to do than to spend his time ousting governments. According to the Sandinists, who have spread the report, this is a U.S. Government. Everyone remembers that when we defeated them on 25 February, a dirty newspaper that is edited in the morning published the following headline: Bush Won! Now it turns out that Bush is ousting his own proteges. This is pretty stupid and foolish; it is characteristic of the people who invent these things.

Therefore, I have no possibility of nor am I interested in ousting Mrs. Chamorro's government, and the cardinal has had absolutely nothing to do this—and neither has the U.S. Ambassador. This is the style typical of the FSLN. They say this, but on 19 July, prior to this report, the one who threatened to cut off heads in the plaza was the president who was crushed by votes....[corrects himself] the candidate who was crushed by votes on 25 February, meaning Daniel Ortega.

The one who threatened a civil war a few days later was the chief of agitation and propaganda in the FSLN, meaning Dionisio Marenco. Those who are threatening new uprisings, coups, and terrorism are the FSLN's paramilitary organizations and its labor union branches.

Consequently, this is something far-fetched and senseless. It is like that story I have mentioned on other occasions: A famous thief is caught in flagrante delicto, meaning red-handed, and the people start chasing him. They point ahead and shout: Thief! Thief! Catch the thief! The thief, to defend himself, also points ahead and shouts: There goes the thief! There goes the thief!

This is what the Sandinists are doing. This is typical of them. They have done it again. They have done it many times; this is not the first time. They have said that Virgilio Godoy is lurking around, waiting for any slip, for any opportunity to advance himself. They even say it in a somewhat stupid way: They said that I had come to storm the government house with 18 advisers, and that I had been kicked out for trying to take over the government house.

Either they think I am crazy or they are, because this does not make sense. I think that [words indistinct] is to seek ways—through criticism and through political actions—to help the government consolidate itself and carry out its tasks, which includes carrying out and fulfilling the National Salvation Government's program.

[Carballo] We continue with the roundtable. It is now the turn of the people who participate via telephone. We have a person who dialed 70-8-93. You may speak, my friend.

[Caller] Good morning. My name is Ayde de Larios. [Word indistinct] his excellency the first vice president of Nicaragua Dr. Virgilio Godoy. My question is this: If you had been elected president, would you have left Ortega [General Humberto Ortega] chief of the Army and, as the vice president elected by the people, [passage indistinct]?

[Moderator] We are going to (?continue) with telephone 7-24-98. Go ahead friend:

[Caller] Hello, yes, hello...

[Moderator] The person on telephone 7-24-98, please go ahead.

[Caller] Good afternoon. Thank you very much. This is (Yavel Sanchez) speaking. Hello to the participants of the roundtable. I want to pose two clear questions to Dr. Godoy.

First, currently, I have evidence that small and medium-sized businesses are losing capital because of inflation, the devaluations, and the price increases many firms are making through the gold cordoba. The question: Is this the cost of the economic plan UNO is going to implement?

That was the first question. The second is: Why have all the politicians avoided mentioning that the Sandinist government consisted not only of the nine commanders, but many persons from the middle and upper class sectors of our society who joined the bureaucracy. In fact, it is no secret that many of the officials of the previous government, or their closest relatives, are members of the cabinet of the current government. Can you explain this to us, Dr. Godoy?

[Godoy] That is very clear. Let me first refer to [words indistinct] that General Ortega should never have remained in the Armed Forces. I have already said and continue to say that there are other officers who could have done his job with a different attitude toward the Nicaraguan people. There is even.... [changes thought] Let me remind you of some statements made by Gen. Ortega in Costa Rica on 4 August, very recently, in fact. He said that he thinks he should continue to be the Nicaraguan Army chief and that his replacement will not come from outside, but from inside the Armed Forces and specifically from the Military Council that he himself presides over and that is comprised of the country's top military leaders. In other words, he, in fact, wants to choose his successor. Not only does he refuse to leave his post, but if he does, he wants to choose his successor. That is why he should have never been kept as chief of the Army in the first place. He should have been separated from his post when the new government was inaugurated, but he is there now and we have to wait and see what happens. Mrs. Chamorro says that Ortega's presence in the Army is temporary. It has even been suggested that 10 December is something of a deadline for his appointment. Some say that Gen. Ortega will remain in his post for at least two years—in other words, until 1992, but we still have to wait and see. President Chamorro has said that she will not leave him as the head of the Army and that she will eventually fulfill her promise.

As for Mr. Sanchez' question, we agree that UNO has never intended to wreck anyone's capital. On the contrary, UNO wanted to stabilize the country's economy in such a way that all investments would start to yield profits within the shortest possible period of time for the well-being of the promoters of that small economic sector and the entire country.

Unfortunately, due to those errors—and this has to do with the second question asked by our friend Mr. Sanchez—things have not been as they should be. At the conclusion of its first 100 days, the government feels that there are still many things left to be done and that promises that were made have not been fulfilled. This is due to several things.

First, certain measures should have been taken from the very beginning to change the economic authorities of the country, and not just in the ministries, which are of course very important. There should have been changes in the more than 400 state enterprises that continue to be governed, directed, and controlled mostly by people who obey the FSLN and not the government's policy.

In addition, the mistake was made from the very beginning of placing these 400 or so state enterprises under one command. It is impossible to control, manage, and verify these enterprises. These enterprises range from agricultural enterprises to industrial, commercial, and service enterprises.

That problem is seriously affecting the possibility of this government complying with its economic programs. In addition, people took reconciliation to mean tolerating the

actions of the FSLN. The people thought that this program meant shaking hands with one's enemies and withdrawing support from those friends who elected the government. To this effect, the government has made a serious mistake.

Sandinism is now convinced that it can shake up the government at any time, and the government is simply forced to forgive, forget, and tolerate, and seek reconciliation with those who are openly attacking the government, even with low blows such as the recent strike and riots that have greatly harmed the country in a direct and indirect manner. The damage has not yet been completely tabulated.

Thus, it is not just that today there are many high-ranking officials in the ministries and the autonomous entities left over from the previous regime, but this is even worse in state enterprises. Virtually nothing has changed there, and that is why while we see that the economy of the nation has not stabilized. The stabilization program does not seem to have begun, because these individuals are completely opposed to that stability.

[Carballo] Dr. Godoy, throughout this program, we have observed that it is evident that there is a serious economic and political crisis in the country. From the economic point of view, it is easy to see how investments remain suppressed. National and foreign investors have not found a suitable atmosphere. They do not find the stability and confidence they require for investing. The crops of this agricultural period have not reached the levels that had been planned. Industry has not been activated, and business is affected by inflation. The new government has promised to privatize enterprises, but evidently the plan has been vetoed by the FSLN, which feels that the APP [People's Ownership Sector] is one of its main revolutionary achievements.

If this is the present, what then is the future of Nicaragua? What are the alternatives for a solution, from a political point of view? Many analysts insist that Nicaragua's economic problems have political roots, but that they will not be resolved through economic means, but rather through a political solution.

[Godoy] I would say that is exactly the situation. We are committing the same mistake that the Sandinists made when they were in power.

In the past, the Sandinists have tried to apply military and economic solutions to political problems. The same is now true. Attempts are being made to correct with economic changes the imbalance that Nicaraguan society is undergoing. This is wrong. The origin of the crisis during the 10 years of Sandinist government was political. The origin of the crisis is the same now, and it is also political. This crisis requires political treatment. Otherwise, we will not escape the crisis.

I suppose that this is already understood. In one of her most recent speeches, Mrs. Chamorro said that she wants to convene some sort of great national dialogue. The idea is not too clear, but apparently the dialogue will be conducted in two stages, first with the production factors, such as workers and employers, and then with the political parties. I think this is a preliminary attempt in the right direction to tackle problems based on reality. Otherwise, there would be no way out from the continual blackmail by the party that was voted out of the Presidency. Nor will there be any possibility of an understanding among the other political forces in the country.

I suppose that in the coming weeks we will see important changes in government actions. I listened to a rehash of President Chamorro's speech over television about how she has trouble getting to sleep some nights. Little wonder. She is truly in the midst of a crisis that leads to a dead end and a vicious circle. So she is again referring to what is known as a national concerted effort, a great national consensus, which would have to be the result of a great national dialogue, in which political organizations must obviously participate, because it is the parties that orient the Nicaraguan people on what is going on and on how to cope with whatever is happening.

I hope she is not making the mistake of thinking that we have simply been treading a path that leads to a crossroads and that we are approaching the point where we must part with one another. Such disagreement might lead the government into embracing a single sector and forgetting the rest. This would certainly be a fatal decision that would aggravate the crisis. If, on the contrary, a serious try at holding a dialogue is made, the whims of a single official would no longer determine the government's ideas and plans, which would instead be oriented to the general guidelines we believe are included in the National Salvation's Government platform. Then things would be better. In addition, things would be better, not because the Nicaraguan people would accept these guidelines more and more, but because it would be possible to have available the human resources that have now almost systematically been put aside. This has forced the government to recruit officials from among its closest friends and relatives. These are some of the mistakes that have been made and that can be corrected as we get closer to this great national dialogue, in which every Nicaraguan will learn that we are building a new model of national coexistence for everyone.

Reportage Covers Dismissal of Colonel Pichardo

Reasons Called 'Unjustified'

PA1008205590 Managua Radio Catolica in Spanish 1130 GMT 10 Aug 90

[Text] Various Managua groups have been stating that the unjustified and arbitrary dismissal of Colonel Javier Pichardo from command of the Air Force will undoubtedly have political consequences.

It has been asserted that General Humberto Ortega ordered Pichardo's dismissal to avoid responding to Pichardo's complaints and protests about the reduced budget that was assigned to FAS [Sandinist Air Force] without further explanation.

EPS Says To Correct Indiscipline

PA1008214990 Managua BARRICADA in Spanish 10 Aug 90 pp 1, 5

[Communique issued by the Sandinist People's Army, EPS, General Command Public and Foreign Relations Directorate in Managua on 9 August]

[Text] The EPS General Command Public and Foreign Relations Directorate informs that:

Regarding the dismissal of Colonel Javier Pichardo Ramirez from the post of Air Force and Antiaircraft Defense chief and his transition into civilian life, the EPS informs:

1. The dismissal was conducted to correct acts of indiscipline that Col. Javier Pichardo committed during the last few months and while in exercise of his responsibilities.

2. The said acts of indiscipline were harming the correct methods and procedures that military life strictly demands.

3. Although the High Command criticized and pointed out his faults to him and urged him to correct himself, Col. Pichardo worsened his behavior during the last few weeks. He took over tasks that did not concern him and disregarded the Armed Forces' norms and regulations.

4. The EPS Military Council unanimously supported the decision that the Armed Forces High Command made in this case.

5. In view of the rumors spread by some media, the EPS Military Council presided over by Commander in Chief General Humberto Ortega Saavedra and comprising Major General Joaquin Cuadra Lacayo, chief of the General Staff; Colonel Oswaldo Lacayo, second chief of the General Staff; Col. Javier Carrion, second chief of the General Staff; Col. Antenor Rosales, chief of Military Region 1; Col. Roberto Calderon, chief of Military Region 5; Col. Carlos Brenes, chief of Military Region 2; Col. Julio Ramos, chief of Military Region 3; Col. Manuel Salvatierra, chief of the Air Force and Antiaircraft Defense; General Staff members Maj. Gen. Hugo Torres, Omar Halleslevens, Lenin Cerna, and Alvaro Baltodano; and Lieutenant Colonels Ramon Ernesto Soza, chief of Military Region 4; Juan Lorenzo Santana, chief of Military Region 7; Manuel Rivas Guatemala, chief of the Sandinist Navy; Carlos Zarruk, chief of the central rearguard; and Jose del Carmen Arauz, chief of the Tank Brigade, informs our people and nation that the EPS remains firm and united without any crisis or rift.

Issued in Managua on 9 August 1990

EPS General Command Public and Foreign Relations Directorate

Also Suggests Cuban Connection

PA1108192790 Managua Radio Catolica in Spanish 1800 GMT 10 Aug 90

[Text] We have learned new revelations regarding the case of Colonel Javier Pichardo, who was dismissed as the Sandinist Air Force and Air Defense [FAS-DAA] chief. Political and diplomatic sources in Managua today have reported that Col. Pichardo, together with other high-ranking Armed Forces officers and mid-level commanders during the guerrilla struggle, sent a letter to General Humberto Ortega in March voicing their discontent over different positions that the Armed Forces had adopted.

Sources informed on the dismissal of Col. Pichardo have disclosed reports saying that as more information becomes available, the Nicaraguan people will be stunned.

Sources close to the Sandinist People's Army [EPS] have reported that Col. Pichardo had good relations with General Ochoa, who was executed on Fidel Castro's orders in Cuba.

Our sources have reported that, before the decision of the EPS High Command to remove Col. Pichardo as FAS-DAA chief, it is very likely that the EPS High Command held confidential talks with Havana, because Col. Pichardo had very good relations with Gen. Ochoa, who was recently executed in Havana on Fidel Castro's orders.

Our sources, who asked to remain anonymous, have close ties to the EPS High Command. They have stated that as the investigation progresses and the media reports the reasons for the dismissal of Col. Pichardo as FAS-DAA chief, the Nicaraguan people will be stunned.

We repeat, sources close to the EPS High Comand, who have asked to remain anonymous, have reported that Col. Pichardo had very good relations with Gen. Ochoa, who was executed in Cuba on Fidel Castro's orders for alleged drug trafficking activities. As more reports become available on Col. Pichardo's dismissal as FAS-DAA chief, some details that continue to be a mystery will begin to unfold.

Our sources have reported that, before the removal of Col. Pichardo, the EPS High Command held confidential talks with Havana. They added that sooner or later more information that the Nicaraguan people should know will become available.

This report was provided by sources close to the EPS who asked to remain anonymous.

Godoy Sees Removal as Sign

PA1208025490 Panama City ACAN in Spanish 2031 GMT 12 Aug 90

[Text] Managua, 11 Aug—Today Nicaraguan Vice President Virgilio Godoy viewed the removal of Colonel

Javier Pichardo, head of the Sandinist Air Force [FAS], as a sign that General Humberto Ortega is trying to keep "the officers loyal to him" in the Army.

On 9 August the Sandinist People's Army [EPS] General Command removed Col. Pichardo, who is also a member of the Armed Forces Staff, for "acts of indiscipline that negatively influence the method and style that the military life demands."

During an interview with ACAN-EFE, the Nicaraguan vice president said that Ortega is trying to "get rid of the officers who are not trustworthy in the Sandinist general's view."

Godoy was counsel for the defense for Pichardo when the latter was "just a professor of physics" at the National Autonomous University of Nicaragua [UNAN] in 1972 and was imprisoned for his involvement in "Sandinist activities against the Somoza regime."

According to reports from local newspapers, Col. Pichardo supplied unspecified information to Cristiana Chamorro, director of the evening newspaper LA PRENSA and daughter of President Violeta Chamorro. Mrs. Chamorro has denied these reports. According to other reports, the now former FAS head advocated the Army's "professionalization," something President Chamorro wants to do, and opposed the "factionalism" within the FAS.

Godoy said this conflict in the Army "does not either particularly help or affect" Chamorro's government, which wants to substantially reduce the institution, which is composed of 80,000 men. The Nicaraguan vice president, who has been at odds with Chamorro's main advisers, adamantly opposes Ortega's retention in the Army. Godoy expects the Armed Forces to be substantially reduced.

Editorial Demands Explanation

PA1308141490 Managua EL NUEVO DIARIO in Spanish 10 Aug 90 pp 1, 8

[Editorial: "The Pichardo Affair"]

[Text] The dismissal of Colonel Javier Pichardo must be made clear to the Nicaraguan people, because there is no doubt that it was a lightning and almost violent action that is forcibly linked to disagreements among the top Armed Forces members.

The Army, the people in general, and especially the Sandinists demand an explanation.

Regardless of the reasons or the lack of reasons, we must make a number of statements about what the Armed Forces' behavior should be beyond the norms imposed by the Constitution and the law.

Beyond the Constitution and the law is the integration of the soldiers' individual rights and their military duties. This is something extremely complex for an army that was created and trained in Sandinist values and that must serve professionally any legitimate government—as is established in the Constitution—even if that government is the antithesis of Sandinism.

It has neither been beneficial nor suitable for the consolidation of our democracy that the Armed Forces' leaders participate in political party negotiations, much less that they publicly make statements concerning the plans or agreements about Nicaragua's social and economic future.

When General Humberto Ortega appeared on television, he should have fully discussed the Armed Forces' role in the complex situation the country is experiencing. In fact, his appearance caused extreme reactions, such as the question by PAC [not further identified] and the reaction of some Sandinists who considered his words a shift from Sandinism. We must, however, say that Gen. Ortega's statements pleased a wide sector of the Nicaraguan political center.

His views on dialogues and agreements among politicians, businessmen, and labor groups—regardless of whether they were good or bad—open the door for every soldier to feel institutionally authorized to support or oppose his views, thus influencing physical actions with ideological convictions based on the mandates of their consciences.

We have a Sandinist Army, and for that reason it can serve the government professionally and within the framework of the Constitution. And this should not change. The Army should not act according to a particular political view.

That is the only way to preserve the Army's unity, the unity of Sandinism, and the faithful compliance with the Constitution and the homeland.

Ortega Comments, Leaves for U.S.

PA1308002590 Panama City ACAN in Spanish 1756 GMT 12 Aug 90

[Text] Managua, 12 Aug (ACAN-EFE)—Former Nicaraguan President Daniel Ortega today began a four-day visit to the United States in search of assistance for his country. Ortega will request the assistance "through his party," the opposition Sandinist National Liberation Front.

Before leaving for New York, Ortega told the press that on 13 August he will begin a series of meetings with 16 publishers of major U.S. newspapers who are interested in publishing reports on Ortega's participation in the Nicaraguan peace and democratization process.

Ortega will also meet with representatives of "3,000 U.S. friends of Nicaragua," people who are organized in committees of solidarity with the Sandinist Front. Daniel Ortega will also meet with U.S. religious leaders and university professors.

Ortega said that in all his meetings, he will explain the new situation that the Sandinist Front has experienced as an opposition party since its election defeat on 25 February.

Daniel Ortega traveled to the United States along with former Nicaraguan Foreign Minister Miguel D'Escoto and will return to Managua on 16 August.

As for the dismissal of Colonel Javier Pichardo Ramirez as Sandinist Air Force chief, Ortega said: "That should not be a surprise to anyone," because before his dismissal, the Air Force had already had four chiefs.

Ortega said that Pichardo's dismissal was carried out "within the Constitution."

Nicaraguan Armed Forces Chief General Humberto Ortega dismissed Pichardo on 9 August "because of acts of indiscipline" and replaced him with Colonel Manuel Salvatierra.

Panama

Embassies Ordered To Observe Sanctions on Iraq

PA1008211090 Panama City LA PRENSA in Spanish 10 Aug 90 p 1A

[Report by M. Alvarez and V. Figueroa]

[Text] The Government of President Guillermo Endara has ordered all Panamanian Embassies and Consulates to observe the UN economic sanctions against Iraq and Kuwait.

The Foreign Ministry stated that Panamanian embassies will strictly observe the economic sanctions in UN Security Council Resolution No. 661, established as a result of the Iraqi invasion of Kuwait.

Meanwhile, Deputy Foreign Minister Jose Raul Mulino has said that the conflict between Iraq and Kuwait may have negative repercussions for Panama and the entire world.

Mulino said that he is closely monitoring the events in the Middle East because "this crisis is very worrying for our country, which is now immersed in a process of reconstruction."

Mulino stated that one should think how difficult it would be for Panama—since we are now beginning an economic recovery period—to face higher oil prices as a result of the crisis in Kuwait.

The government should prepare a study on the crisis to determine what it will do, Mulino concluded.

Minister Comments on Country's Oil Supply

PA1108043490 Mexico City NOTIMEX in Spanish 1857 GMT 10 Aug 90

[Text] Panama City, 10 Aug (NOTIMEX)—The Panamanian Commerce and Industries Minister Juan Chevalier said today that Mexico, Venezuela, and Ecuador have promised to help Panama in the event of an energy crisis caused by the Persian Gulf situation.

"We are in contact with friendly governments that have promised us aid," Chevalier said. Panama consumes 24,000 barrels of crude oil a day from Ecuador, Mexico, and Venezuela.

Mexico and Venezuela supply oil to Panama under the recently renewed "San Jose Pact," which on a preferential basis allows up to 130,000 barrels a day to be shipped to Central American and Caribbean countries.

Chevalier said that in order to have the needed reserves "Panama has to ask the countries that are increasing their export quotas to give us part of that increase. We are referring to Venezuela, Mexico, and Ecuador."

He added that these countries "have promised to help us as much as possible." He also noted that oil purchases are made in advance, so Panama will obtain between 350,000 and 400,000 barrels for reserves.

The official did not rule out gasoline price hikes and said that a special government commission was seeking to ensure crude supplies and financing.

Communique Summarizes Oil Market Situation

PA1108173190 Panama City LA ESTRELLA DE PANAMA in Spanish 11 Aug 90 pp A-1, A-7

[Communique issued by the Commerce and Industries Ministry on 9 August]

[Text] The Hydrocarbons Directorate of the Commerce and Industries Ministry duly authorized by the Executive Branch wishes to report to the public that it has adopted the following measures, in light of events in the Persian Gulf that have unleashed an escalation in the international price of crude oil:

1. To establish a Financial Commission consisting of the Finance Minister, the Commerce and Industries Minister, the Comptroller General, and the National Bank Manager to secure the required resources for the purchase of crude oil by the national government.

2. To immediately begin agreements—at the government level—with crude oil producing countries in the area to ensure that there will not be a fuel shortage in the country.

3. To prohibit hoarding and/or price speculation of any oil by-products that has not been authorized by this ministry.

4. To prohibit the import or export of any oil by-product that has not been authorized by the Commerce and Industries Ministry.

5. To urge citizens to become aware of the serious problem the world is facing that will also affect our country, so that citizens begin to reduce consumption, fully aware of their responsibility as citizens.

6. The government will try as much as possible to keep domestic fuel prices as stable as permitted by conditions in the oil market. Any changes will be duly announced beforehand by the National Hydrocarbons Directorate.

7. To request that the media abstain from publishing news that refers to fuel prices that have not been confirmed by this ministry—to avoid speculation.

Minister Juan B. Chevalier

Deputy Minister Roberto Alfaro E.

Government To Analyze Documents Returned by U.S

PA1108131090 Panama City Circuito RPC Television in Spanish 2300 GMT 10 Aug 90

[Text] During a news conference this afternoon at the presidential palace, President Guillermo Endara said that in receiving the 15,000 boxes containing documents of the defunct Defense Forces that the U.S. Army had seized, all Panamanians can see that the files of the dictatorship include records that were created to intimidate, persecute, and repress citizens.

These records are an illegal and undue intrusion into the private lives of Panamanians and other citizens who live in the country and a violation of their human condition and rights that are acknowledged and protected by the Constitution, laws, and international agreements signed by Panama.

The national government has appointed an ad hoc commission to analyze the documents.

In view of the arguments listed here, the Panamanian Radio Broadcasting Corporation [Corporacion Panamamena de Radio Difusion] wishes to make the following statement:

1. All Panamanians know of the trauma we endured under the deposed military dictatorship and the abuses, arbitrary actions, and violations that were committed during that dark period of our republican life.

2. We all know of the dirty games, the tricks, the immorality, and the shiftiness that the deposed military dictatorship used to make lies appear as truth and vice versa.

3. There is no doubt that documents or recordings that could serve as evidence could have been twisted to misrepresent a situation and to weaken the truth.

We take no merit away from the ad hoc commission assigned to make the analysis, but because of the arguments listed here and others we could wield, and because the Panamanian people deserve an opportunity, we believe that all surreptitiously obtained record of personal and private conversations that may compromise the honor and dignity of any citizen or person must be immediately destroyed.

There should be no hesitation of any kind in this regard. Personal and private information is the sole business of the person for whom that information was intended. There is no room whatsoever for meddling into the privacy of individuals.

We emphasize that there cannot be access to this kind of information, because there cannot be any doubt that information could have been altered by a person capable of sinking Panama and Panamanians into immorality, corruption, and common theft.

We are certain that there is nothing on earth more valuable than our good names, bequeathed to us by our parents and our ancestors. Because of this, there is no valid reason for revealing information that we know beforehand has been altered.

At this crucial moment for the future of all Panamanians, the advice of prudence and careful thought is that this information must be destroyed.

Commission To Review Files

PA1108171790 Panama City EL PANAMA AMERICA in Spanish 11 Aug 90 p 13B

[Report by Maricarmen Sarsanedas]

[Text] President Guillermo Endara announced yesterday that every document, film, or recording contained in Manuel Antonio Noriega's intelligence files that are detrimental to the honor and privacy of Panamanian or foreign citizens will be destroyed, after these materials have been assessed by a special ad hoc commission established to review the 15,000 cases of documents delivered yesterday by the U.S. Government. Endara explained that he made the decision because the files prepared by Noriega's intelligence service constitute an unlawful and undue invasion of the privacy of Panamanians and resident aliens. These documents represent a flagrant violation to their rights as human beings, which are recognized by the Constitution, the laws, and several international agreements.

The commission that will be tasked with reviewing the documents will consist of Bishops Jose Luis Lacunza and Oscar Brown, Cristo Rey parish priest Javier Villanueva, and Dr. Rodrigo Arosemena Arosemena. Dr. Arosemena will serve as the commission chairman and adviser. If the documents reveal actions against the nation, they will be handed over to the government. Moreover, it was reported that those documents that must be preserved

for historical reasons will be delivered to the National Archives, once actual custody of the documents is transferred to Panama.

If the commission establishes that some documents should be made public at a later date—for security reasons—the National Bank will be in charge of protecting them. The president announced that, except for the documents [from Noriega's intelligence files] to be reviewed by the special commission, all other documents will be made available to government officials, including the Attorney General's Office, the Comptroller General's Office, the Directorate for the Recovery of State Property [DRP], the General Customs Directorate, and the Revenues Directorate.

The president made the announcement accompanied by the DRP magistrates, Attorney General Rogelio Cruz, and Comptroller General Ruben Dario Carles. Moreover, DPR Chief Magistrate Eusebio Marchosky said that, as of yesterday, the United States had ceased to be the custodian of these documents and that a complete inventory had been requested. On the matter of the documents to be reviewed by the commission, Marchosky noted that "the state does not have the right to preserve information harmful to the people it is expected to protect."

Differences Continue Between Directors

PA1108175690 Panama City EL SIGLO in Spanish 11 Aug 90 p 14

[Report by Rafael Rodriguez]

[Text] When asked about statements by Customs Director Rodrigo Arosemena, who had said he turned over 21 individuals arrested on drug-trafficking charges in Panama to the PTJ [Judicial Technical Police], PTJ Director Leslie Loaiza yesterday told reporters: "You may interpret these statements as you please." Loaiza had previously denied the statements by Arosemena.

Loaiza, who appeared to be annoyed, added: "I do not want to act like 'Toto' Alvarez [National Bar Association president] or like 'Willy Cochez' [Panama City mayor]." By this, Loaiza meant he would not engage in a controversy with Rodrigo Arosemena. Loaiza then turned his back on reporters, who were asking questions to collect the facts in the controversy between Loaiza and Arosemena, and left.

This controversy began after the Customs Office had seized over 600 kg of cocaine from the mafia, which uses Panama as their center of operations. In a communique, Rodrigo Arosemena stated that the PTJ has denied that the Customs Office ever turned 21 individuals arrested on drug charges over to the PTJ.

The communique adds that nine Panamanians, six Colombians, three Haitians, two Cuban Americans, and one Jamaican have been apprehended by the Customs Office.

Arosemena said: "I think that the PTJ director believes that Panamanians suffer from amnesia." He added: "I am annoyed to publicly state that none of the people arrested [are still in custody], especially after Panamanians have seen on television that when we seize a drug shipment, we also present the individuals arrested."

Meanwhile, Arosemena has reiterated that he is not afraid of the death threats that he has received since the Customs Office Directorate of Technical Operations dealt a severe blow to drug traffickers, who have lost over $30 million as a result.

A source has told this reporter that Customs Director Rodrigo Arosemena had received a small casket with his picture inside it. This can be interpreted as a threat by the cocaine traffickers, and if Loaiza does not stop this mafia, the life of Arosemena may be at risk, our source concluded.

Arias Calderon Comments on Public Force Future

PA1208220190 Panama City Circuito RPC Television in Spanish 2300 GMT 10 Aug 90

[Text] Government and Justice Minister Ricardo Arias Calderon said today that for the time being, no change will be made in the Judicial Technical Police [PTJ] or in the Public Force.

[Begin recording] [Arias Calderon] There are Latin American countries, such as Chile and Nicaragua, that are receiving a lot of positive attention. They are working for democratization while leaving military commanders in their posts—Pinochet in Chile and Ortega in Nicaragua.

I think that more positive attention should be paid to what the Panamanians are doing here. The purging process will be continued through the independent judicial system we now have.

[Reporter] This means that no changes will take place in the PTJ or in the Public Force?

[Arias Calderon] Normal changes will take place. You must recall that it has been decided that the PTJ will be a department of the Attorney General's Office. All PTJ directorate appointments are provisional until the transfer of the PTJ from the Government Ministry to the Attorney General's Office takes place and until the National Assembly approves a bill it discussed during an early assembly session without approving it.

Once this transfer is completed, the authority responsible for the PTJ—the Attorney General's Office—will have to proceed with institutional developments and make permanent appointments. Current appointments are provisional. [end recording]

Colon 'War Refugees' Request Government's Support

PA1108002190 Panama City LA ESTRELLA DE PANAMA in Spanish 9 Aug 90 p 24

[Text] The leaders of the Colon War Refugees issued and signed a resolution in France Field on 6 August 1990 in which they state that they have taken over some houses in the France Field area that had been vacant for over a year.

The refugees said the U.S. military was responsible for those houses and that the U.S. Army had evicted them violently.

They explained that they took over the houses again on 1 August and that the Americans took over and evicted them again. The France Field inhabitants say those houses must revert to Panama and that this has not been accomplished yet. The protesters believe they are not combatants, but victims, and that they have the right to have proper living standards, as stated by the Article of the Human Rights Declaration. They also feel that they deserve to be indemnified by the U.S. Government for having been the victims of an illegal and unfair action.

Therefore, the refugees demand that the Panamanian Government negotiate and agree with the American authorities on the provisional lease of the France Field area's houses, which have been vacant for a year and which they could inhabit until their new houses are built.

Column Claims 'Antiterror Unit' Reinstated

PA1208205590 Panama City EL SIGLO in Spanish 9 Aug 90 p 5

["Tips and Leaks" column]

[Text] The establishment of a special antiterror unit to fight the wave of murders and robberies that has swept the city has been announced with much pomp and circumstance. What the people do not know and should is that this unit is none other than the infamous UESAT [Special Antiterror Service Unit] established by the narcodictator and headed by Captain Ramon Diaz, one of those who allegedly murdered Moises Giroldi [leader of October 1989 coup attempt].

USSR Plans To Normalize Trade, Consular Ties

PA1008205790 Panama City ACAN in Spanish 2032 GMT 8 Aug 90

[Text] Panama City, 8 Aug (ACAN-EFE)—The USSR will open a trade bureau and a consulate in Panama before the end of 1990, a Soviet source said today, citing the existence of USSR Foreign Trade Ministry plans to normalize trade and consular relations with Panama.

The source added that the USSR expects Panama to also open a trade office and a consulate in Moscow.

A Soviet official, who chose to remain unidentified, said that President Guillermo Endara and other high-ranking Panamanian officials have already expressed their agreement with the establishment of formal trade and consular relations contained in an agreement signed in 1988.

The USSR is looking forward to expanding its presence in the Colon Free Zone, where, for the moment, it only runs a Soviet automobile enterprise that sells about 15,000 vehicles to 25 Latin American countries.

The USSR could buy high-technology equipment needed to develop its economy in the Free Zone, and the material could be shipped at low cost by taking advantage of the more than 650 Soviet vessels that transit the Panama Canal every year.

According to ongoing talks, the USSR Foreign Trade Bank (state) could open a branch in Panama City's Banking Center, where more than 120 banks from countries all over the world have branches.

However, the USSR is still cautious about the short-term possibility of establishing diplomatic relations with Panama. It is waiting for Panama to fully restore its relations with the "Group of Eight" (Latin American countries) before taking this step.

The ties between the two countries could also be further increased by the Soviet airline Aeroflot using Panama City as a stop-over in its Moscow-Havana-Lima flights.

The USSR has notified Panama of its interest in buying coffee, bananas, and seafood and in selling tractors and heavy equipment.

Argentina

Chemical Warfare Suits Shipped to Saudi Arabia

PY1108032290 Buenos Aires TELAM in Spanish 2226 GMT 10 Aug 90

[Text] Buenos Aires, 10 Aug (TELAM)—It has been learned from Defense Ministry sources that the Argentine Government will send 20 sets of equipment for personal protection against chemical, bacteriological, and radioactive weapons to Saudi Arabia so that they may be used by Argentine residents in that country.

The equipment will be shipped today from Ezeiza airport via a Lufthansa jetliner at the request of Julio Uriburi French, Argentine ambassador to Saudi Arabia. Saudi Arabia borders Iraq, whose president has threatened to use chemical weapons.

The equipment will be shipped in a coordinated effort by the Defense and Foreign Ministries, sources said.

The equipment, which belongs to the Navy, consists of masks, suits, and gloves that will protect the individual against the effects of toxic gas, including those having a "double action," which is the type used by the Iraqi Armed Forces.

14 Citizens Staying at Spanish Embassy in Kuwait

PY1108023490 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2320 GMT 10 Aug 90

[Text] Buenos Aires, 10 Aug (NA)—The Argentine Foreign Ministry tonight confirmed that "14 Argentine citizens are staying as refugees at the Spanish Embassy in Kuwait" and requested that those having relatives in Kuwait or Iraq contact the Foreign Ministry to identify them.

In a communique released tonight, the Foreign Ministry states: "Every effort is being made to identify, to help, and to assist Argentine residents of Kuwait and Iraq."

The communique notes that these efforts "are particularly difficult in Kuwait because Argentina has no diplomatic mission there and, consequently, all information requested and obtained come primarily from Iraqi Government sources."

The communique adds: "The Spanish Embassy in Buenos Aires has reported that 14 Argentine citizens are staying as refugees at the Spanish Embassy in Kuwait. Efforts are being made to establish their identities."

The communique concludes by requesting: "Those people with relatives in Kuwait or Iraq should supply the names and address of their relatives and any other information that can be useful in identifying them."

Citizens in Iraq, Kuwait Allowed To Leave

PY1108195690 Buenos Aires DYN in Spanish 1902 GMT 11 Aug 90

[Text] Buenos Aires, 11 Aug (DYN)—Argentine Foreign Minister Domingo Cavallo today reported that he has been officially notified by the Iraqi Embassy in Buenos Aires that Argentine citizens who are living in Iraq and Kuwait—where the current Persian Gulf conflict is taking place—"have been authorized to leave."

The Iraqi diplomatic mission has officially notified the Argentine Government that the Iraqi and Kuwaiti Governments have "authorized Argentine citizens and their families" to leave both Iraq and Kuwait, Minister Cavallo officially reported at noon today.

The Argentine foreign minister stated that following negotiations with the Iraqi Ambassador in Argentina, the Iraqi diplomatic mission in Buenos Aires notified him that the Argentine citizens "will be able to leave the area in the coming hours."

After a week of concern and worry about the fate of Argentine citizens in the Persian Gulf, the Argentine Embassy in that area confirmed that every effort will be made in the coming hours to help Argentine citizens obtain airplane tickets to go wherever they choose.

It is well-known that the borders of Iraq and Kuwait were closed to foreigners on 2 August when Iraq invaded Kuwait, ousted the emir—Kuwait's top leader—and installed a puppet government.

Following that event, troops of the United States and of some of its NATO allies arrived in Saudi Arabia to prevent—according to the U.S. Department of Defense—a possible invasion of that country.

In the wake of Iraq's official notice, 16 Argentine families in Iraq and the eight in Kuwait will be able to leave the area of conflict as tension continues in the oil-producing area.

Explosive Devices Damage Buenos Aires Province

PY1008115090 Buenos Aires TELAM in Spanish 1027 GMT 10 Aug 90

[Text] Buenos Aires, 10 Aug (TELAM)—Three devices exploded in towns in Buenos Aires Province and another one exploded in the [Federal Capital] Caballito District, causing damage but no injuries.

The first device exploded at 0052 in a linen goods shop at 1732 Arenales Street in the town of Moron. Personnel from that town's 1st Police Precinct told TELAM early this morning that the explosion broke windows and damaged the plastering of the shop, but there were no injuries.

A few minutes later, at 0120, another device exploded in the town of Ciudadela in front of a shop that sells automobile parts. Personnel from the Tres de Febrero

Volunteer Fire Department reported that the explosion occurred at 4500 Marcelo T. de Alvear Street in Ciudadela. There were no injuries, but the explosion damaged the premises and neighboring buildings.

Another bomb exploded 10 minutes later in front of a high-rise at 1300 Figueroa Street in the Caballito District. According to police sources, the explosion damaged the front of the building and neighboring buildings, but there were no injuries. The case falls under the jurisdiction of the 13th Police Precinct, and a unit of the Explosives Brigade of the Federal Police Fire Superintendency is helping in the investigation.

The fourth device exploded at 0210 in a shop that sells and rents video equipment at 4300 Mitre Avenue in Villa Dominico, Avellaneda Department. The explosion broke windows and damaged the plastering of the shop, which belongs to the son of national Deputy Jose Luis Castillo (PJ) [Justicialist Party], who is the PJ president in Avellaneda. The explosion also damaged neighboring buildings.

Deputy Police Chief Alberto Velazquez of the [words indistinct] told TELAM that "TNT might have been used, and the shock wave broke the windows of neighboring shops."

Another Unclaimed Bomb Attack Near Buenos Aires

PY1108182090 Buenos Aires DYN in Spanish 1743 GMT 11 Aug 90

[Text] Buenos Aires, 11 Aug (DYN)—Police sources have reported that a powerful bomb exploded today outside the door of the Victoria Supermarket in the town of Claypole, Almirante Brown Department, southeast of this capital. There were no injuries. The attack occurred at 0300 [0600 GMT] this morning, when the device exploded against the doors of the supermarket on 24th Street between Fourth and Seventh Streets in Claypole. The explosion caused serious damage but no injuries.

The sources stated that the police began an intensive operation in the area and in the departments of Quilmes and Lomas de Zamora, which are next to Almirante Brown Department, to attempt to locate the perpetrators.

The sources stated that the front of the building was destroyed but that neither the night watchman nor passersby were injured. One of the people going by at that time called the police, who responded immediately and began their operation.

The sources indicated that the bomb could have been placed by the same group that set off four bombs in the Federal Capital and Greater Buenos Aires, although the group has not been identified.

Air Force Chief Supports 'Structural Change'

PY1308015090 Buenos Aires BUENOS AIRES HERALD in English 11 Aug 90 p 11

[Excerpt] (NA-DYN) Cordoba—Air Force Chief-of-Staff Brigadier Jose Julia yesterday issued a warning about the "operational degradation" of the force as a consequence of budget limitations, pointing out that solving the nation's economic problems is outside its "functions and responsibilities."

The military chief delivered a speech at a ceremony marking a new anniversary of the creation of the Air Force, which was presided by President Carlos Menem and attended by Vice-President Eduardo Duhalde, Presidential Chief-of-Staff Alberto Kohan, Cordoba Vice-Governor Mario Negri, Defense Under Secretary Julio Dentone, Entel trustee Maria Julia Alsogaray, pop singer turned Justicialist politician Ramon "Palito" Ortega and Julia's Army and Navy counterparts, General Martin Bonnet and Admiral Jorge Ferrer.

Julia emphasized that "the restrictions we currently suffer from, especially as regards personnel, will neither make us lose our identity nor make us forget the raison d'etre which gives us life and justifies our existence." In that framework, the official highlighted the responsibility of the force in "protecting our sovereignty and security and working as a police force in our air space."

Julia explained the several cuts in short and long term plans which had to be applied due to budget restrictions, and deplored the need to suspend the services of LADE state airlines, "which has rendered 50 years of continuous and improving service to forgotten areas of our fatherland."

The Air Force chief stressed however that the military sector supported "the structural change which is taking place in the country" and the reforms undertaken by the government, but warned that there are "disruptive sectors" trying to solve national problems "through violence, trying to impose their ideas by force and supposing they are owners of a divine inspiration."

The ceremony took place at the local Military Aviation School, and included a land and air parade and a toast of honour at the officers' casino. [passage omitted]

Government Admits Concern Over Inflation

PY1208000890 Buenos Aires DYN in Spanish 2240 GMT 11 Aug 90

[Text] Buenos Aires, 11 Aug (DYN)—Presidential Spokesman Humberto Toledo today acknowledged that the government is concerned over the rise of inflation. However, he added that further adjustments "will allow the government to continue curbing inflation."

Speaking at the Olivos Presidential Residence while the meeting between the president of the nation and his economic team was in full progress, the presidential

spokesman said that the objective of the meeting is to study "the national 1990 budget, the ways and means to finance state expenditures and the performance of each and every one of the public companies," which, according to Toledo, are "in poor shape."

He also explained that the meeting is assessing the "level of compliance with the adjustments that the national executive branch ordered through Decree 435 as well as the fate of government-appointed trustees at the state-owned companies."

National Justicialist Council Members Named

PY1108155890 Buenos Aires TELAM in Spanish 1919 GMT 10 Aug 90

[Text] Buenos Aires, 10 Aug (TELAM)—The list of new members of the National Justicialist Council is as follows: President (on leave of absence): Carlos Menem; Vice President and Acting President: Eduardo Menem; First Vice President: Roberto Garcia; Second Vice President: Cesar Arias; General Secretary: Carlos Grosso; Political Secretary: Ruben Marin; Interior Secretary: Jorge Busti; Press Secretary: Antonio Cassia; Secretary for International Affairs: Octavio Bordon; Union Secretary: Jose Luis Lingeri; General Managers: Carlos Corach, Cesar Arias, and Orlando Caporal

The Political Action Executive Board will be headed by Eduardo Menem and Ruben Marin, while the other members will retain their posts.

Electoral Court: General Manager Carlos Corach will be in charge of reporting changes made within the party system to the electoral court for its approval.

This new leadership will also have to be submitted to the plenum of the National Justicialist Council for its approval.

$150-Million 'Trade Policy Loan' Granted

PY1008153890 Buenos Aires DYN in Spanish 1122 GMT 10 Aug 90

[Text] Buenos Aires, 10 Aug (DYN)—An Economy Ministry spokesman has reported that the World Bank has approved a $150-million loan earmarked for the Argentine Treasury to be disbursed next week. On unanimously approving this loan, the first for Argentina in 22 months, the World Bank's Board of Directors lauded the Argentine Government's efforts toward carrying out structural reforms.

The spokesman highlighted the importance of this "trade policy loan" [three preceding words in English], which reopens disbursements by this organization for the first time since the failure of the Spring Plan implemented during the Radical administration.

With these funds the Treasury will be in a better position to achieve the $300-million operational surplus goal that is contained in the agreement with the IMF.

Economy Ministry officials are hoping that there will be a disbursement before the end of the year of another $600 million, which will apply to four lines of credit that are being negotiated for the reform of the state, the reform of state enterprises, support for the provinces, and support for social services such as health and education.

Bolivia

Supreme Court: Antidrug Forces Obstruct Justice

PY1108195290 La Paz PRESENCIA in Spanish 8 Aug 90 p 7

[Excerpt] On 7 August Edgar Montano, president of the La Paz Supreme Court, said that "the laundering of information" by the antidrug organizations following antidrug operations prevents important "top drug trafficking leaders" from being prosecuted in the country.

Montano said: "We once made this statement and now we confirm it. On many occasions drug traffickers have not been prosecuted or they have merely disappeared." He added that he can prove this situation through documents delivered to the court every day.

In previous remarks Montano said members of the Special Antinarcotics Force (FELCN) "hide" information about the drug traffickers during the court investigations that follow the FELCN antinarcotics operations.

The FELCN refuted Montano's statements in a wary communique in which it states that the court is also involved "in a long chain of corruption, which covers up the drug traffickers."

Justice Under Secretary Roger Pando said on that occasion: "It does not seem wise to make mutual accusations." But he admitted: "All the institutions linked to the struggle against drug trafficking are having serious problems in carrying out their activities."

Montano reiterated yesterday that the irregularities can only be overcome with the creation of a highly specialized technical judicial police capable of acting on the scene of the events or along with the FELCN. [passage omitted]

Troops Raid Camiri Oil Area, Evict Strikers

PY1008131690 La Paz La Red Panamericana in Spanish 1130 GMT 10 Aug 90

[Text] Military troops from the Cuevo and Boyuibe garrisons last night raided the Camiri petroleum area to safeguard order and state assets. Felipe Galimontes, our correspondent in Santa Cruz, will give us further details:

[Galimontes] Good morning, friends and listeners of Panamericana throughout the country. As we reported last night, Army troops, particularly from the 4th Army Division headquartered in Cuevo, raided the Petroleum Workers Union building in Camiri last night and evicted the hunger strikers at the gate of the government oil

installations there. They then went to San Francisco de Assisi Church and repeated the operation.

According to our correspondent in Camiri, the leader of the local civic committee was arrested but released a few minutes later. This civic committee leader reportedly almost caused an incident but then decided to go underground.

The Santa Cruz morning newspapers this morning carry the following headlines: Camiri Intervened by 4th Army Division; Enrique Martinez and Opa Blanco go underground. Moreover, members of the Camiri civic committee have reported through a ham radio operator—since the government is controlling all communications media—that the Armed Forces headquartered in this district intervened militarily here at 1930 last night and threatened the local people with bursts of machine-gun fire. This was not confirmed by our reporter in Camiri.

The departmental prefect last night reported the following: Some Camiri leaders have called on citizens to foment subversion and to raise arms, and the Armed Forces have been called in to restore order. The prefect stated that these leaders will be arrested because no one can call on citizens to do this. This is the current situation in Camiri.

Brazil

Government To Pressure Iraq To Allow Departures

PY1008172290 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 10 Aug 90

[Text] In Brazil, Itamaraty has said that the Brazilian Government will increase pressure for Iraq to facilitate the exit of Brazilian citizens. Most of the Brazilian citizens in Iraqi territory are at the Mendes Junior Construction Company camp, 200 km from the Jordanian border.

Itamaraty Spokesman Jose Vicente Pimentel has said that Brazilian citizens can leave Iraq by bus through the Jordanian border, but that even for diplomats it is difficult to get an exit visa. From this point Brazil will be increasing its pressure for the release of Brazilian citizens.

[Begin Pimentel recording] The Iraqi Government, in turn, is reporting that the measures that make the issuance of visas so difficult are precisely aimed at protecting Brazilian citizens. These measures are designed for security—not only the security of Brazilian citizens but that of all the foreigners in that area. We are trying to persuade the Iraqi Government that such an assessment should be left up to us. [end recording]

Collor Asks Husayn To Let Brazilians Leave

PY1108222290 Madrid EFE in Spanish 2035 GMT 11 Aug 90

[Text] Rio de Janeiro, 11 Aug (EFE)—It was reported here today that Brazilian President Fernando Collor de Mello asked his Iraqi counterpart Saddam Husayn to allow the 240 Brazilians working in Iraq to leave that country.

According to O ESTADO news agency, in view of the failure of diplomatic contacts at the ambassadorial level, President Collor decided today to send a telegram to President Husayn requesting the authorization for the Brazilians to leave Iraq.

Baghdad officials told Brazilian officials that the retention of Brazilian citizens is part of a general procedure for all foreigners living in Iraq "to guarantee collective security."

Brazilian Foreign Minister Francisco Rezek said today: "This argument is unsatisfactory because it is not known what kind of security Iraqi officials are talking about."

Rezek said that the Brazilian citizens are outside the high risk area in case there is a confrontation between the Iraqi and foreign military forces stationed in Saudi Arabia, and in the Persian Gulf.

The majority of Brazilians living in Iraq work in companies which have engineering contracts with the Iraqi Government while the others are diplomats with their families.

U.S. President Bush promised President Collor that he will help Brazil find new oil suppliers now that Brazil has lost its main supplier, Iraq, because Brazil decided to join the economic boycott imposed by the UN Security Council.

FOLHA DE SAO PAULO reported today that during the presidential inauguration of Colombian President Cesar Gaviria, U.S. Vice President Dan Quayle delivered the Bush message for Collor to Brazilian Vice President Itamar Franco.

This week Brazil began looking for new oil suppliers to compensate for the 190,000 barrels per day it was buying from Iraq and Kuwait, which represents 30 percent of its oil imports.

According to official sources, contacts were made with Mexico, Venezuela, Ecuador, the Soviet Union, and Saudi Arabia.

However, Brazilian officials confronted the fact that the oil producers are not signing contracts, and that they are asking buyers to buy oil in the free market.

The daily also reported that the government will announce next week measures for the energy sector which may include fuel price increases due to the oil price increases on the international market caused by the Persian Gulf conflict.

This week, Economy Minister Zelia Cardoso de Mello and Infrastructure Minister Ozires Silva ruled out the possibility of increases in the price of oil, and its byproducts, and asked the population to save fuel. Silva also

ruled out the possibility of rationing, and asked the 150 million Brazilians "to understand the serious situation."

According to the Brazilian Petroleum Corporation (Petrobras), with last week's oil price increases, fuel is being sold in Brazil 43 percent cheaper than the real price. Before the Persian Gulf conflict the losses absorbed by the state were only 17 percent.

Brazil consumes 1.3 million barrels daily, and half of it is imported.

Sugar Exports to Iraq Halted; Losses Expected

PY1208005890 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Aug 90 Economic Section p 3

[Text] Rio de Janeiro—The Brazilian Government has yet to answer the request of the Iraqi Embassy to release, for "humanitarian reasons," 308,000 tons of sugar that Iraq has purchased from the Brazilian trading companies Consulmar and Simab. If the deal does not go through, Brazil will lose some $150 million this year because, according to foreign trade experts, it would be practically impossible to divert this sugar to other markets.

The failure of this operation could also cause indirect harm by hastening the decline of the price of sugar on the international market of raw materials, a tendency which has been observed since the beginning of the year. Should the economic blockade of Iraq continue for very much longer, there is a risk that the above-mentioned Brazilian trading companies and other foreign suppliers of Iraq may be forced to sell their contracts on the market, hastening the decline of sugar prices.

Between January and today, the price of Demerara sugar crystals on the international market dropped from $330 to $235 per ton, a 28-percent drop. Since the production costs of Brazilian sugar, including transportation to the port of shipment, currently stand at $198 per ton, the risk is that if the international price of sugar continues to fall, Brazilian sugar will become unprofitable because it will be worth less than the combined cost of production and transportation. This would be disastrous for Brazil's trade balance.

It is known that one of the trading companies had reserved four ships to take the approximately 70,000 tons of sugar, almost half of its part of the 308,000 tons, to Iraq. For the time being, the trading companies and the Brazilian Foreign Ministry remain silent on the subject.

Minister Creates Group To Fight Drug Usage

PY1008121290 Brasilia Domestic Service in Portuguese 2200 GMT 9 Aug 90

[Report by Carlos Alberto from the Justice Ministry]

[Text] Justice Minister Bernardo Cabral today created an executive group to aid in the campaigns of the Confen [Conselho Federal de Entorpecentes—Federal Narcotics Council], which has as its goal the prevention of drug consumption.

The executive group is made up of six justice secretaries representing various Brazilian regions and a prosecuting attorney. The group, in association with Confen, will carry out prevention work and an educational campaign aimed at reducing drug trafficking and consumption in the country.

Goias Justice Secretary Carlos Alberto Guimaraes, who serves as chairman of the National Forum of Justice Secretaries and of the recently created executive group, believes that, unless very serious work is started, Brazil may experience difficulties similar to those taking place in Colombia.

[Begin Guimaraes recording] Yes, this is what I think. Our situation is becoming dramatic. Some years ago, 18 and 19-year-olds began taking drugs; then the consumers became 15- and 16-year-olds. There are now concrete cases of 12-year-old children being introduced to drugs. [end recording]

Guimaraes reported that a meeting of justice secretaries and presidents of State Narcotics Councils will be held in Sao Paulo on 29 and 30 August. The meeting will discuss and approve a number of effective and objective actions aimed at putting an end to the escalation of drug trafficking and consumption in the country.

Central Bank Suspends Debt-Reduction Operation

PY1108115690 Rio de Janeiro O GLOBO in Portuguese 10 Aug 90 p 27

[Text] Brasilia—The Central Bank indefinitely suspended one of its most interesting debt-reduction operations yesterday. Since the beginning of 1989, this special mechanism—through which Brazilian foreign-debt notes purchased at discounts of up to 80 percent are used to pay off debts from private and public companies that have not yet fallen due—allowed the retirement of overdue debts of $1.8 billion.

Antonio Carlos Monteiro, chief of the Central Bank's Foreign Capital Registration and Supervision Department (CIRC), said that the suspension of this debt-reduction mechanism was not prompted by foreign bankers' pressure on Brazil to stop repurchasing its foreign-debt notes while maintaining a moratorium on overdue interest payments to banks. He admitted, however, that the measure adopted yesterday by the Central Bank will facilitate negotiations with creditor banks, the preliminary phase of which will begin on 20 August.

Debt reduction through the purchase of discounted Brazilian debt notes on the secondary market benefited both the companies with pending debts and the state, which is responsible for debts worth $99 billion.

The operation could be conducted by a company with, for example, a $60-million debt due to mature in six months. By raising $20 million through a new loan, that company could then buy Brazilian debt notes worth a face value of $100 million in the secondary market, where discounts can reach as high as 80 percent. After

acquiring the papers, the company could then present them to the Central Bank for acceptance at a 40-percent discount. With the difference in its favor, the company could pay off its $60-million debt in advance, thus making a financial gain for that advance payment. In the process, the country reduced its foreign debt by $100 million.

Blackout in Salvador Caused by Sabotage

PY1108025490 Brasilia Domestic Service in Portuguese 2200 GMT 10 Aug 90

[Text] The Sao Francisco River Hydroelectric Company, CHESF, has already discovered the cause of the blackout that affected the city of Salvador and 80 percent of the interior of Bahia state.

The failure was in zone two of the transmission line from the Paulo Afonso to the municipality of Olintina. In the opinion of the CHESF officials, however, the failure was not a mere accident and it should be investigated rigorously. These officials believe that the failure was caused by the action of company workers who will end their 11-day strike on 10 August.

The blackout also disrupted the water station in Bolombira, leaving 14 neighborhoods of Salvador without water. This morning, the lights again went out throughout the city of Salvador, from 0800 [1100 GMT] to 1130.

Stroessner Guards Arrested, Must Leave Country

PY1008130690 Asuncion EL DIARIO in Spanish 10 Aug 90 p 8

[Text] Four fellow countrymen who had worked as Gustavo Stroessner's bodyguards have also been arrested by the Brazilian police and accused of residing illegally in Brazilian territory. According to Paraguayan Ambassador in Brasilia Juan Esteban Aguirre, these people have eight days to leave Brazil.

The ambassador also reported that the police operation resulted in the seizure of numerous firearms that were presumably part of the Stroessner family's security apparatus. Last minute reports indicate that the bodyguards will be released within the next few hours.

Chile

Ministry Rejects Iraqi Annexation of Kuwait

PY1008184690 Santiago Radio Chilena Network in Spanish 1700 GMT 10 Aug 90

[Report by Renato Leyton]

[Text] A communique issued at noon today by the Foreign Ministry emphasizes that, for Chile, the Iraqi annexation of Kuwait has no legal validity and must be considered null and void

The Chilean Government is thus supporting UN Resolution 662, which states that the Iraqi annexation of Kuwait has no legal validity and must be considered null and void.

The Foreign Ministry communique points out that a couple of days ago our government also supported another resolution, which was designed to reestablish peaceful and respectful coexistence in the region. This resolution—No. 661—established sanctions against the invading government.

The Foreign Ministry communique points out: The Chilean Government has monitored with profound concern the development of the crisis that arose as a result of the invasion of Kuwait by Iraqi military forces. Through communiques issued on 2 and 8 August, the Foreign Ministry has expressed the government's viewpoints on the situation.

By reiterating its condemnation of the use of force or the threat of force to settle international controversies, Chile immediately adhered to UN Security Council Resolution 661, which was aimed at reestablishing peaceful and respectful coexistence in the region.

Consistent with this attitude, the government believes it is also appropriate to publicly express its support for Resolution 662, which was issued yesterday by the UN Security Council. This resolution states that the Iraqi annexation of Kuwait has no legal validity and must be considered null and void.

24 Cardoen Workers Leave Iraq, 7 Awaiting Visas

PY1308034590 Buenos Aires DYN in Spanish 0100 GMT 13 Aug 90

[Text] Santiago, 12 Aug (AFP)—The Chilean Embassy in Amman has reported that 24 of the 31 Chileans working in Iraq left the country for Jordan on 12 August.

In a telephone conversation during a newscast carried by the Chilean state television company, Chilean Ambassador to Jordan Nelson Hadad said tonight that the other seven workers will be leaving Iraq in the next few days after they fulfill visa requirements.

The evacuated Chilean workers are employees of Cardoen Industries. This company is involved in the installation and managing of a smelting plant and other manufacturing factories around Baghdad.

A Cardoen industry spokesman said in Santiago that the 21 technicians who arrived in Amman today and the others still in Iraq have not been treated like hostages at any time.

Cardoen Industries, one of the largest Latin American arms manufacturers, sold $100-million worth of cluster bombs to the Iraqi Air Force during the Iraq-Iran conflict.

U.S. Fruit Policy To Be Denounced in GATT

PY1108180090 Madrid EFE in Spanish 0500 GMT 11 Aug 90

[Text] Santiago de Chile, 10 Aug (EFE)—The Foreign Ministry reported today that the Chilean Government has instructed its delegation to the GATT talks to denounce the "clearly protectionist" attitude adopted by the U.S. Senate against Chilean fruit exports to that country.

The Foreign Ministry stated in an official communique that the U.S. Senate's decision to extend the implementation of the "marketing order" [two preceding words in English] or the specific quality requirements on kiwi fruit, plums, peaches, and apples signifies the establishment of nontariff commercial barriers.

The communique also criticized the rejection of the possibility of establishing similar conditions for the inspection of Chilean fruit as are used with fruit grown in the United States, saying that it represents further discrimination against Chile.

The communique notes that the Chilean charge will be submitted to the GATT vigilance committee established by the "Uruguay Round" so that the commitment to prevent new restrictive or distorted measures on commerce, as established at the beginning of negotiations in 1986, will be respected. The charge will be also submitted to the GATT Council, the highest-ranking GATT group, according to the statement.

Also, the Chilean Senate's Foreign Relations Committee endorsed the drafting of a formal protest against the protectionist U.S. measures. The protest note, which will be voted on next week, will demand the immediate lifting of these measures. On 9 August the 120 members of the Chamber of Deputies unanimously passed a bill in which they also expressed their concern over the resolutions approved by the U.S. Senate.

The document, which will soon be delivered to U.S. Ambassador to Chile Charles Gillespie, will also demand the lifting of other measures that affect Chilean exports to the United States. This will play a role in Chile's incorporation into the Generalized System of Preferences and the resumption of investment guarantees.

The Senate and the Chamber of Deputies agreed to ask President George Bush to reject the resolutions approved by the U.S. Senate.

Teitelboim Meets With Aylwin, Discusses Cuba

PY1008164090 Santiago Domestic Service in Spanish 1100 GMT 10 Aug 90

[Text] Volodia Teitelboim, secretary general of the Communist Party of Chile [PCCh], has said that communication channels have been opened with President Aylwin and his government toward reaching agreement, to the extent possible, on actions that will contribute to the country's deep and rapid democratization.

The Marxist leader reported on an audience that the head of state held with him and other members of the PCCh Central Committee, during which the PCCh leaders reiterated their desire for Chile to reestablish diplomatic relations with Cuba. They were told that this goal, within the context of Chile's policy of coexistence with all Latin American countries, will take time to accomplish.

Discussing the massive departure of Communists from the party, Teitelboim said that there are some Communists who want to abandon the party and others who want to destroy it.

[Begin Teitelboim recording] A couple of days ago, the Socialist Party received many of our former comrades, who were described as ex-communists and who clearly said that they had changed their minds. We regret the rash and unrealistic decisions made by some youths, because discussions within the PCCh are open. We do not want them to resort to outside forums to bombard the PCCh from that perspective. [end recording]

Teitelboim was responding to a question about a sector of the Communist Youth that claimed that there is less and less democracy within the party each day.

Teitelboim also denied that the PCCh is instigating the illegal occupations of lots. He did reject, however, the repression of the poor shantytown dwellers who attempt to occupy these lots.

Regarding the PCCh's efforts to gain legal status, Teitelboim said that 100-percent progress [as heard] has been made in Santiago and 75-percent in the regions. He said that they expect to complete the appropriate procedure on 4 November 1990.

Communist Youth Leader on Suspension of Militant

PY1008201390 Santiago Radio Chilena Network in Spanish 1700 GMT 10 Aug 90

[Text] Communist Youth Secretary General Manuel Guzman has said that the activities and the behavior of [Communist Party of Chile leader] Luis Guastavino have become irresponsible and that because of this he has been suspended from the Communist Party of Chile.

Guzman stressed that the basis of the party's cohesion lies in the collective decisions of its militants.

[Begin Guzman recording, in progress]....that the activities of comrade Guastavino were offensive to party democracy, offensive to the party's majority and, as such, they represented an irresponsible influence over the collective decisions of the militants. [end recording]

The Communist Youth has released a proposal to settle human rights problems. In their proposal, the Communist Youth raises the need for justice, compensation, and

restoration of the rights of the people involved, as well as the full clarification of the crimes committed under the military regime and the release of all political prisoners.

Marisol Berrios, a member of the Communist Youth Central Committee, has said that these demands are indispensable for the country.

Asked about the crisis that the party is experiencing, Berrios said that the withdrawal of militants does not detract from the purpose of the organization or the executive board.

[Begin Berrios recording, in progress]....if departures take place. It would be deeper if some comrades today take [words indistinct].

However, to answer your question on whether this threat exists [words indistinct] that no, that today the will of the majority is to strive for this way of positively solving the crisis and the will of the Communist Youth members is concentrated on this. [end recording]

In conclusion, the Communist Youth leaders said that it is not necessary to hold the Ninth Congress in advance as some dissident sectors believe because a party conference will soon be held.

Retired Officers Demand End to 'Smear Campaign'

PY1108155890 Santiago Domestic Service in Spanish 1100 GMT 11 Aug 90

[Text] The Corps of Retired Generals and Admirals has asked government groups to contribute to the effort to end the smear campaign against the Armed Forces and police organizations.

Admiral Raul Lopez Silva, spokesman for the group, read a statement expressing the organization's deep concern over the open campaign against the Armed Forces. The statement adds that the sensationalist exploitation of exhumations has led important national organizations to make unjust and harmful statements against the Armed Forces and police.

The note adds that history has witnessed the valuable role played by the Armed Forces and that future peaceful coexistence demands an immediate and significant correction to abuses allowed by freedom of opinion and freedom of expression.

The note says that nothing, not even party, ideological, or political objectives, can justify those abuses, and it is inappropriate to try to find false disagreements among the different branches of the Armed Forces.

The statement adds that the possibly punishable events can be treated under the current legal system and concludes by requesting the support of state organizations to end the smear campaign.

[Begin Lopez Silva recording] The Corps of Retired Generals and Admirals, inspired by their patriotic statuary objectives, want government organizations to adopt immediate and strong measures to end the smear campaign against the Armed Forces and police, especially against the Army and its top command. [end recording]

The note issued by the retired admirals and generals claims that it is rather paradoxical to promote legal measures benefiting subversive and terrorist organizations while the country's legal system is being weakened, creating a risky situation for the future.

The note finally warns those who are responsible for the country's fate to make themselves aware of this situation, which by no means favors the objective of finding truth and reconciliation.

Minister Krauss: Carabineros Forces To Increase

PY1108013490 Santiago Radio Cooperativa Network in Spanish 2300 GMT 10 Aug 90

[Text] A draft bill to increase the Carabineros forces by 4400 men will be sent to Congress by the government, Interior Minister Enrique Krauss has reported. He said that Carabineros Director General Rodolfo Stangue learned of this decision from President Patricio Aylwin himself during a meeting with high ranking Carabineros officers today.

The number of Carabineros personnel will increase gradually during the next few years, beginning next November with the incorporation of 1100 men. Minister Krauss added that other measures to improve the operational capability of the force will also be adopted, like technical improvements in the field of computer services, communications, and vehicles. He said that the government obtained a $21 million credit which will be used according to the Carabineros needs. This credit will not be charged to the Carabineros Institution, but the government will pay for it. Krauss said that the government intends to increase the Carabineros budget for operations, which includes a wage increase for Carabineros personnel, and for the construction of more Carabineros units and stations. The government plans to grant a 3.95 billion pesos budget for the construction of Carabineros houses. This project will begin next year with 1.5 billion pesos, and the government will consider finishing the construction of the Carabineros school, Krauss reported.

The Carabineros force also proposes to increase the number of Carabineros attaches in Chilean embassies,—a decision which must be approved by the Foreign Ministry—especially in border countries and countries with which there is a great deal of exchange of police matters, like countries with drug trafficking problems.

Carabineros Van Attacked in Santiago, 9 Wounded

PY1108012890 Santiago Domestic Service in Spanish 2300 GMT 10 Aug 90

[Report by Mario Reyne from mobile unit 56]

[Text] Nine policemen were wounded when a Carabineros van was attacked this afternoon. Three sustained serious wounds while the other six suffered less severe wounds.

When the Carabineros van was passing near bus stop 21 on Vicuna McKenna Avenue—between Santa Raquel and Trinidad Streets— it was unexpectedly attacked by individuals riding in several vehicles.

According to early reports, the attackers used M-16 rifles against the Carabineros van. The wounded policemen were taken by helicopter to the Sotelo del Rio Hospital and to the Carabineros hospital. We should note that a broad police operation is now under way in the area.

IDB President Discusses Future Financing Plans

PY1008173090 Santiago Radio Cooperativa Network in Spanish 2300 GMT 9 Aug 90

[Text] Twenty-five social and economic development projects are in a folder that IDB [Inter-American Development Bank] President Enrique Iglesias is carrying with him, and the IDB will study the possibility of financing up to 70 percent of them.

After completing various activities today, including meetings with President Patricio Aylwin, top-ranking officials, and private-sector representatives, Enrique Iglesias held a news conference.

Iglesias said that Chile's relationship with the IDB dates back 30 years and that over this period the IDB has contributed a total of $3.6 billion to Chile's social, private, and road maintenance projects, among others.

The IDB president recalled that the IDB has received a 75-percent capital accrual that will be used to continue and increase its assistance. Iglesias said that the organization's relationship with Chile is especially easy given the sound handling of macroeconomics.

[Begin Iglesias recording] In the specific case of Chile, our relationship is even easier because of the country's excellent handling of macroeconomics. It is therefore possible to eliminate some concerns that are often involved in the approval and implementation of projects. Our task is therefore very easy, and that is why we have tackled it enthusiastically. [end recording]

Iglesias said that the IDB will co-finance about 25 Chilean projects that have been initially approved, including labor training, health, agricultural-livestock projects, technology, environment, road maintenance, urban development, sanitation, and other projects, totaling between $2 and $3 billion for the 1991-93 period. As usual, the IDB will cofinance these projects by contributing 60 to 70 percent of the funds required.

Iglesias pointed out that, with the new funds available to it, the IDB is now willing to support the Latin American private sector in a much more specific way. He also noted that the IDB supports the Bush initiative and more than welcomes integration among the Americas.

Colombia

Police Communique on Death of Cartel's Gaviria

PA1208174890 Bogota Radio Cadena Nacional in Spanish 1200 GMT 12 Aug 90

[Communique issued by the National Police in Bogota on 11 August]

[Text] The National Police wish to inform the public that, today at 1630, while conducting Phase 2 of Operation Apocalypse, narcoterrorist Gustavo Gaviria Rivero was killed while resisting arrest at house No. 32-C-47 on 74-E Street in the Laureles neighborhood in Medellin. Gaviria had an identity card that identified him as Ramiro Velez Velez. An M-14 rifle and a mini-Uzi submachine gun were confiscated on the premises. The dead criminal was a cousin of Pablo Escobar Gaviria and second in command within the Medellin Cartel.

An arrest warrant was issued for Gaviria by the 10th Superior Court in Medellin, charging him with homicide. With the death of this criminal, the Medellin Cartel suffers one of the greatest setbacks since the National Police began its offensive against the narco-terrorist organization.

Bogota, Special District, 11 August 1990.

Further on Killing

PA1208014090 Bogota Radio Cadena Nacional in Spanish 0112 GMT 12 Aug 90

[Text] It has been confirmed that Gustavo Gaviria Rivero, one of the barons closest to the Medellin Cartel, was gunned down today in an operation and the ensuing shootout in La Alameda neighborhood in Medellin, the capital of the Antioquia Department.

Gaviria, alias "Leon," and the third most important man in the Medellin cartel, was gunned down during an operation carried out by assault troops of the Elite Force and the metropolitan police. The action took place shortly before 1600 after a building was searched. The building was a virtual fortress, with bulletproof windows and closed-circuit television. The clash lasted several minutes. The examination of the body, which ended a few minutes ago, confirms beyond any doubt that the man killed by the police is Gaviria, cousin of the head of the organization, Pablo Escobar Gaviria.

Justice Minister Says Extraditions To Continue

PA1108222090 Bogota Radio Cadena Nacional in Spanish 1200 GMT 10 Aug 90

[Text] Bogota—Justice Minister Jaime Giraldo Angel has said that the Extradition Treaty has not been properly interpreted in Colombia. However, he said that as long as narcotics terrorism exists, this type of treaty will be enforced and it will be applied by the government at its discretion.

Giraldo Angel made these statements after taking over as justice minister. He added that too much importance has been placed on the extradition issue. Despite the fact that extradition is obviously a juridical instrument, it has been handled politically.

Giraldo Angel said that the administration of President Cesar Gaviria Trujillo will seek alternate international procedures to bring drug traffickers to justice. He said that drug traffickers have created a new criminal organization with large economic resources that uses sophisticated systems for its drug laundering activities. One country alone, he added, cannot fight this situation.

Regarding the reforms at the Justice Ministry, Giraldo Angel announced that the Judiciary Branch will be incorporated into the government and other agencies, such as the Criminal Investigations Directorate. Also, the Judicial Technical Police will be reorganized.

Records Show Israeli Link To Drug Trafficking

PA1108133390 Bogota EL TIEMPO in Spanish 6 Aug 90 p 3-A

[Text] According to a confidential Administrative Department of Security report, which is closely connected to the bulky record of the case at the Attorney General's Office, former Colonel Yair Klein, chief agent in the smuggling of arms for the Colombian drug traffickers, rendered his services "in exchange for cocaine the Mexican [late Medellin drug lord Jose Gonzalo Rodriguez Gacha] delivered to him in Israel."

The quantities of drug involved are not specified, however.

The report includes another, more categorical assertion: "Even though Israel has denied that its government is in any way connected to the arms-for-cocaine deal, the connection between the mercenaries and 'the Mexican' is very telling. As reported by the mercenaries themselves, their stay in Colombia was authorized by high-ranking officials of the Israeli Defense Ministry. In addition, the arms purchases were made with end-user certificates issued for the island of Antigua and the weapons were sent to our country from there."

The investigators believe that there is the possibility that Lieutenant Luis Meneses (retired), who acted as middleman, will expand on his testimony on this particular aspect. Meneses, who was captured early this year during a raid in Bogota, worked on this operation together with Henry Perez, former executive of the Cattle Growers Association of Middle Magdalena [Asociacion de Ganaderos del Magdalena Medio].

An informant described in the document as a collaborator of the security services has stated that Perez offered to replace Meneses in negotiations that were being held in Israel to purchase air-to-air missiles and other infantry weapons.

ELN Releases Mayor, Refuses To Hold Talks

PA1108043790 Madrid EFE in Spanish 2045 GMT 10 Aug 90

[Text] Bogota, 10 Aug (EFE)—According to a report by the Puerto Parra mayor after the Army of National Liberation (ELN) guerrillas freed him, the ELN will not accept holding a dialogue with the government of President Cesar Gaviria and will continue their attacks against the country's main oil pipeline.

After being held for six hours by ELN members, according to Gerardo Ferreira, mayor for the Puerto Parra in the Middle Magdalena area, the guerrillas handed him the note for the media and stole an all-terrain vehicle owned by the mayor's office.

Ferreira was freed on the road leading to Bucaramanga from Barrancabermeja, in the northeast of the country.

Dynamite attacks against the Cano Limon - Covenas oil pipeline have become an ELN trade mark to protest what they consider a government policy of oil exploitation in association with multinational companies.

President Gaviria said in his swearing-in speech on 7 August that political solutions will still be offered for those guerrilla groups that take up the country's majority wish to end violence.

Gaviria Asks for 'Moderation' in Villa Claret

PA1308020390 Bogota Radio Cadena Nacional in Spanish 1200 GMT 10 Aug 90

[Text] Pereira—President Cesar Gaviria Trujillo has asked the military and police authorities of Risaralda Department for moderation in handling the situation in Villa Claret, located in the jurisdiction of Puerto Rico municipality. A faction of the EPL [Popular Liberation Army] has taken over Villa Claret, demanding the presence of government representatives to begin a dialogue process.

Puerto Rico Mayor Sigifredo Salazar Osorio told this station a few minutes ago that the guerrillas arrived at Villa Claret two days ago. The commander of the EPL column called the mayor so that he would ask the departmental governor not to send military forces to Villa Claret because the rebels' action is peaceful. The mayor got in touch with Risaralda Governor Diego Patino Amariles, who immediately called President Gaviria. In view of the guerrillas' peaceful intentions, the president ordered that no troops be sent to Villa Claret.

Ecopetrol President on Effects of Mideast Crisis

PA1108182890 Bogota Inravision Television Cadena 2 in Spanish 1730 GMT 10 Aug 90

[Text] Ecopetrol [Colombian Petroleum Enterprise] today said that Colombia should expect a false oil boom due to the conflict in the Middle East. Although President Cesar Gaviria yesterday said Colombia is willing to

export more oil, Colombia has been selling all the oil it can sell. In other words, about 180,000 barrels of oil per day, of which between 90,000 and 100,000 barrels correspond to Ecopetrol and the rest to private companies.

[Begin recording] [Reporter] How much additional oil are we exporting?

[Ecopetrol President Andres Restrepo Londono] We are extracting an average of 15,000 to 20,000 barrels of oil per day, in addition to the oil we had been extracting over the past few months. The production figure has been accurate so far. We hope to keep these production figures for the next few days.

[Reporter] Since the conflict began, the price of Colombian oil has gone up $6.00. However, the price of the gasoline Colombia imports has also gone up. Under these conditions, every dollar increase in the price of oil represents $12 million per year for Ecopetrol. As the war has made prices go up, prices will have to come down eventually. Therefore, expectations should not be exaggerated.

[Restrepo] I want to clarify this matter so that people do not think there is a boom. There is a temporary boom, but countries are experiencing a war economy. Countries cannot plan economic strategies based on a war economy. However, the effects of factors that disturb the market, such as disruption of OPEC quotas, could be harmful in the long run. [end recording]

We must not forget that, after all, Colombia exports only one percent of all the oil produced in the world.

* Need for Expanded Energy Sources Highlighted

* Ecopetrol Plans Detailed

90SM0193A Bogota EL ESPECTADOR in Spanish 3 Jul 90 p 10-a

[Article by Alberto Martinez M.]

[Text] Petroleum wearing green, green for the geological map.

In an effort to change the results of its exploration policy, the Colombian Petroleum Enterprise (ECOPETROL) will move into parts of national territory that had previously been off limits because of their high geological risk.

The measure is aimed at extending the country's self-sufficiency beyond the year 2000 by finding at least 250 million barrels of hydrocarbons by 1994.

This will be the major objective, but not the only one; the 36,000 kilometers of seismic surveys and the 100 wells to be drilled will no longer be a political goal, but an instrument.

Investments during the five year period, estimated at US $540 million, will increase along with the prospecting venture, but the chances that crude oil will be discovered will also increase.

The idea is to go to basins that have not been thoroughly explored, where Cano Limon was discovered 10 years ago. With 1.1 billion barrels, it is the largest deposit found anywhere in the world in the last 18 years.

Not only will traditional crude be sought; gas and heavy petroleum will be top priorities as well.

At first, ECOPETROL will take the new course through its direct plans, but ideally foreign companies should endorse the new attitude, either with individual commitments of resources or the formation of investment groups that will reduce the amount of risk capital involved.

Ninety geologists and geophysicists who work for ECOPETROL will be at the helm of the program, which also has the help of four international experts and the most modern interpretation systems in the oil industry.

Jorge Bendeck, vice president for prospecting, and Mario Yory, prospecting manager, are the strategy men.

Where They Will Go

Green for the virgin land.

So far, prospecting efforts by Colombia and by the associated companies have concentrated on the areas of the least risk or those that have been explored most thoroughly, indicated in yellow on the latest hydrographic map provided by ECOPETROL.

They comprise 112,000 square kilometers, primarily in the upper, middle, and lower valleys of the Magdalena, Norte de Santander, Putumayo Central, Casanare, Meta, and Arauca, where Colombian crude has historically been drilled.

Black gold continues to be found there, but in smaller amounts, as the major discoveries have already been made. The area has been heavily surveyed (44 to 250 square kilometers per well drilled).

ECOPETROL's new strategy calls for the exploration of 171,580 square kilometers in the green area. Surveying there averages 250 to 1,000 square kilometers per well, which fits within the geophysical category of "medium exploration."

This vast region of the country includes, among other things, the Atlantic Coast, Putumayo, the eastern Arauca and Casanare Rivers, Pie de Monte Llanero, and the central Meta River.

During this five year period, research will cover the so-called "red areas" of "low exploration," which comprise 156,660 square kilometers in the Pacific Basin, Vichada, and in general all of the Eastern Plains.

The 1990 schedule even calls for a geological study of the subsoil, laboratory analyses, the compilation of information, geochemistry, 500 kilometers of seismography, and the drafting of prospectuses in the area of La Uribe. This area is in the red category more because of the lack of knowledge about it and the great geological risk that is involved, rather than because it is the headquarters of the Revolutionary Armed Forces of Colombia (FARC).

The "blue areas," where there has been "no exploration," cover 306,000 square kilometers in the hydrographic basins. There are indications of organic concentration there, but they will be left alone for now.

Challenge

Green for hope as well.

According to ECOPETROL, the yellow areas have been so thoroughly explored that no more than five million barrels is expected to be discovered.

(Of course, these are not absolute figures, and in view of the possibility that larger reserves may be found, these regions will not be abandoned completely.) The figures for the green areas, on the other hand, mention fields containing between 10 million and 100 million barrels, which could easily surpass the oil company's "pessimistic" projection of 250 million barrels between now and 1994.

In the areas of "little exploration," deposits containing much more than 100 million barrels could be found. The prognoses are boundless when the imagination contemplates the "unexplored" territory.

For all these reasons, ECOPETROL experts say, "The country should not feel defeated when more than 400 kilometers of its hydrographic basins are completely virgin land. When we talk about the depletion of reserves, we are talking about the area that has already been explored. The possibility of a new Cano Limon has not been ruled out here."

* Nuclear Development Planned

90SM0193B Bogota EL ESPECTADOR in Spanish 7 Jul 90 p 9-a

[Article by Alberto Martinez M.]

[Text] In view of the virtual depletion of the principal conventional sources of heat, Colombia will put its money toward nuclear energy and coal.

To this end, it will purchase a new atomic reactor at a cost of 35 billion pesos. It will also step up exploration for the black mineral, of which it has a reserve of 6.503 billion tons.

These decisions were announced by Minister of Mines Margarita Mena de Quevedo, who noted that in the future, new energy sources will have to be developed in accordance with the principles of environmental conservation.

Speaking at the celebration honoring the 50th anniversary of her ministry, the official stated that the country will have to try to identify new reserves, especially in the two geological areas that have been defined: the Andean system, located within the circum-Pacific belt, and the precambric shield of Guayana.

At present, the country has the most thoroughly analyzed and complete data on useful energy in Latin America, which puts it in an advantageous position for making use of its wealth.

Petroleum now accounts for the largest share of national production, with 45.5 percent; it is followed by coal (27.5 percent), firewood and bagasse (12.5 percent), natural gas (8.5 percent), and hydroelectricity (6 percent).

This distribution of consumption means that approximately 480,000 hectares of forest is being destroyed each year.

When this fact is added to the risks involved in achieving self-sufficiency in oil and the costs of electricity, it is clear that the nation must reconsider its energy policies and strive to improve the use of nuclear energy, hydrogen, the sun, the wind, and the biomass, said the minister.

Alternatives

"Nuclear energy cannot be excluded from long-term planning in this sector," said Mrs. Quevedo. She then announced that the first steps are already being taken for the purchase of a new Maplex-10 five megawatt nuclear reactor.

The cost of the plant has been estimated at US $70 million, about 35 billion pesos. At present there are a few specific possibilities for receiving financing from the Canadian Government.

"A good number of countries are returning to the idea of nuclear energy these days," considering that it does not harm the environment, "and the Colombian energy sector cannot isolate itself" from that trend.

The Nuclear Affairs Institute (IAN) will be in charge of the reactor. It has been studying uranium and other radioactive minerals as alternatives for industry, health, and agriculture.

As for coal, the minister indicated that the country has been too conservative in the large-scale exploitation of proven reserves.

In her opinion, it is not clear that this mineral will continue to be used as a fuel in the next century. What will happen to the 6.503 billion tons that Colombia now possesses if consumption patterns change, she asked.

Projections indicate that by the year 2000, coal production will reach 40 million tons, 27 million more than in 1989. This represents a "restrictive" pace that would take 350 years to use up all the coal reserves, however.

Green Concept

In this regard, the minister declared that the protection of forests and the development of alternative sources of energy must cease being mere experimental programs, and must become one of the priority objectives in the orientation and planning activities carried out by the Ministry of Mines and Energy.

It is intolerable, she emphasized, that the search for fuel to prepare meals should cause annual damages (the clearing of 480,000 hectares) that will take two decades to remedy.

In the presence of ministry employees, former ministers, and managers of the mines and energy enterprises, the Barco administration summed up its accomplishments in this sector, emphasizing the following:

- Institutional adjustments that allowed for the formation of the National Energy Commission, the Higher Council on Electricity, and the Mining Code, as well as the revamping of the FEN [expansion unknown] and Ecominas [Colombian Mining Enterprise] and the modifications made in the petroleum partnership contracts.
- Increased mineral exports, now totaling US $2.528 billion, nearly double the figure for coffee exports.
- Installation of 1.2 million new kilowatts of electricity and supply of natural gas to 135,000 new homes.
- Design of an exploration program through the year 2000, which projects the discovery of 1.8 billion barrels with US $2.6 billion in investments, and the implementation of an electricity generation expansion plan that will increase installed capacity by one million kilowatts.

Ecuador

Reportage on Events Surrounding National Congress

Deputies Beat Acting Chairman

PA1108002390 Quito Voz de los Andes in Spanish 2348 GMT 10 Aug 90

[Report by Raul Zambrano from the press room of the Congress—live]

[Text] In a few minutes, the leaders of the parliamentary blocs will enter the National Congress meeting hall and announce the juridical alternative for solving this regrettable impasse that has arisen in the National Congress. The Ecuadoran Congress was in session to elect the leadership for the new period.

This impasse arose because of the unfortunate illness of the director of the preparatory assembly, Dr. Segundo Serrano, who delivered a letter a few minutes ago to Dr. Enrique Ayala Mora, deputy of the Republic. The text of that letter is as follows:

My health has been affected as a result of leading this morning's session. Therefore, I am putting you in charge of the preparatory assembly. Respectfully yours, Dr. Segundo Serrano.

This is the problem we are now confronting. When Dr. Enrique Ayala Mora tried to sit at the place assigned to the president of the National Congress, he was physically prevented from doing so by the deputies of the Ecuadoran Roldosist Party and of the Concentration of Popular Forces who beat him with their fists.

This has led to this regrettable impasse—a shame for the nation. Congress is supposed to be the essence of thinking and debating, but what we have seen throughout the day is a shameful situation that unfortunately is not pleasant to hear or see.

Session Suspended Until 13 August

PA1108004590 Quito Radio Quito in Spanish 0015 GMT 11 Aug 90

[Report by Johnny Viteri from the National Congress Hall in Quito—live]

[Text] Doctor Enrique Ayala Mora, former vice president of the National Congress, has just announced that the suspension of the session will remain in effect until 13 August at 1600.

Two commissions have just been established. One will notify the president of the Republic that the Congress members cannot hear the presidential message because Congress has yet to be established. The other commission will notify the Supreme Court president that they have not been able to form a congress.

The commission that will notify the president of the Republic is made up of Miss Cumanda Vinueza and Messrs. Rene Mishue and Patricio Romero. The other commission in charge of notifying the Supreme Court president is made up of Messrs. Luis Ponce, Javier Munoz, and Frank Cossio.

Further on Congressional Suspension

PA1108032590 Madrid EFE in Spanish 0211 GMT 11 Aug 90

[Text] Quito, 10 Aug (EFE)—Amid incidents and commotion, the single chamber Ecuadoran Congress suspended today its inaugural session that was to elect its new leadership and listen to the annual state of the nation message by President Rodrigo Borja.

After nine hours in session marked by continuous incidents and some physical aggression, most of the 72 deputies withdrew, claiming that there were no guarantees that the meeting would continue.

An initial round of voting was annulled after the only candidate for the presidency of the Congress, Averroes Bucaram—deputy of the Concentration of Popular Forces (CFP)—received the support of 35 opposition

deputies from the center right and 37 deputies from the ruling party. The opposition from the center left abstained.

After a three-hour recess a new round of voting was held, but the director of the voting session, socialist deputy Segundo Serrano, became ill and had to be taken to a local hospital. Serrano delegated his role to his fellow party member, Enrique Ayala, who suspended the session until 13 August.

Several deputies declared this session unconstitutional and announced their decision to remain in the hall until midnight. Earlier, some deputies staged incidents and attacked each other while they were cheered by their followers in the galleries. The congressional police guards went into action several times to end incidents between the legislators and their followers.

The situation prevented Borja from presenting his message before Congress. His message had been scheduled for 1900 (0000 GMT 11 August) in the presence of his ministers and diplomatic delegates.

In the 17 June elections the ruling Democratic Left (ID), a social democratic party, lost the majority to the Social Christian Party (PSC), a conservative party which today supported the nomination of Bucaram along with the Ecuadoran Roldosist Party (PRE).

In the current Congress the PSC has 16 deputies; the ID has 14; the PRE has 8; the Popular Democracy, a christian democratic party, has 7; the Liberal Party, the CFP, and the Ecuadoran Conservative Party (PCE) have three [figure as received]; the Broad Front of the Left (FADI), the Alfarista Radical Front (FRA) have two; and the Democratic People's Movement (communist) has one.

The Ecuadoran Constitution establishes that the Congress must be installed on 10 August, a national holiday.

Opposition Deputy Named President

PA1108194290 Hamburg DPA in Spanish 1826 GMT 11 Aug 90

[Text] Quito, 11 Aug (DPA)—A coalition of populist and right-wing parties, who oppose the government of social democrat President Rodrigo Borja, today took control of the new National Chamber of Representatives. Last night, the chamber was unable to inaugurate its sessions, causing an unheard of political vacuum in the country.

Yesterday, shortly before midnight, minutes before the constitutional deadline to inaugurate the congressional session ran out, 39 deputies—two over the number for an absolute majority—called a meeting. The remaining 33 deputies labeled the meeting "unlawful and void."

The head of the preparatory board, Socialist Segundo Serrano, nearly suffered a heart attack while trying to break the impasse in the negotiations. The session was immediately closed and called for Monday, 13 August. However, the new [word indistinct] of 39 deputies met on their own and appointed another person to conduct the session, despite the violent incidents that broke out among rival lawmakers. The long and disorderly meeting ended this morning with the election of right-wing populist Averroes Bucaram as the new Congress president.

The ruling Social Democratic Party did not recognize the election, which cannot be appealed. Bucaram's election ends the political vacuum that arose last night when the Congress was unable to inaugurate the session. For that reason, President Borja could not fulfill his constitutional mandate of delivering his state of the nation address on 10 August. No date has been set for the speech.

With the opposition in control of the Congress, the government will have to face four political trials against Cabinet ministers. In addition, the Supreme Court, the Supreme Electoral Court, and the Constitutional Guarantees Court may be restructured.

Borja Speech Postponed to 13 Aug

PA1108005890 Quito Voz de los Andes in Spanish 0021 GMT 11 Aug 90

[Report by Raul Zambrano from the Congress—live]

[Text] It has just been decided that the congressional session to elect the leadership of the National Congress has been suspended until 1600 on 13 August. Also, the leaders of the congressional blocs have appointed several commissions.

One commission will go to the presidency of the Republic to officially notify the president that this session has been suspended.

A second commission has been appointed to tell the foreign minister that this session has been suspended. The foreign minister will then notify the diplomatic corps and special guests that the message by the president of the Republic has been postponed until 1600 on 13 August.

It has also been decided that another commission will go to the Military Hospital in Quito to inquire personally about the condition of the director of the preparatory assembly, Dr. Segundo Serrano.

In other words, the leaders of the congressional bloc have officially ended this session. Unfortunately, there have been shameful incidents that have marred this special day in Ecuador. These shameful incidents were staged by the deputies who were elected to represent the people in the congressional sessions that should have been installed today.

Also, we have been told that the doctors at the Military Hospital have ordered Dr. Segundo Serrano to rest for 24 hours. Therefore, the assembly session slated for today will not be held.

Borja Comments on Situation

PA1108033290 Quito Radio Quito in Spanish 0247 GMT 11 Aug 90

[Statements by President Rodrigo Borja and Deputy Rene Mulle at the Presidency in Quito—recorded]

[Text] [Borja] Everything was ready so that I could make my state of the nation speech to the National Congress and the Ecuadoran people, in compliance with my constitutional duties. It is also my duty as a democrat to report my actions to the Ecuadoran people. Naturally, my duties do not include becoming a [words indistinct]. I have seen the [words indistinct] events which occurred at the National Congress.

In fact, those in Congress acted in compliance with the Constitution of the Republic. A quorum was ascertained, the session installed, the debates held, the debates closed—all this within the normal course of the session—and the first elections were held. The votes were counted, the results were announced, and that is when the chairman of the session announced a recess.

The recess ended and the session was renewed, but the lack of a quorum naturally makes it impossible for me to fulfill my fervent wishes of coming to the National Congress and presenting the report which I am duty-bound to present according to the Constitution. I am grateful for your presence, and I want you to tell the National Congress deputies on my behalf that as soon as there is a quorum for the session, meaning when the session is resumed, I am prepared to present my report on the last year of my administrative actions as president of the Republic. Thank you, Messrs. deputies.

[Mulle] Mr. President, we would like to add something. We believe that the Congress will be convened on Monday 13 August and that the National Congress will have legally appointed authorities in the afternoon. We are sure, Mr. President, that you will be invited to give your report to the National Congress and the country on Monday 13 August.

[Borja] I am (?pleased) with what you have told me. [Words indistinct] that, according to the Constitution, I must read the report to the National Congress. Therefore, I will appreciate it if you will notify me when I can come to the National Congress to fulfill my constitutional duty.

[Mulle] Thank you, Mr. President.

Oil Minister on Mideast Crisis, Oil Prices

PA1008182590 Quito Radio Quito in Spanish 2300 GMT 6 Aug 90

[Text] Ecuadoran Energy and Mines Minister Diego Tamariz has said that the Iraqi armed invasion of Kuwait will undoubtedly cause an increase in world oil prices. However, he added that this is a temporary situation because the conflict between the two oil-producing countries is about to be solved.

[Begin Tamariz recording] The Ecuadoran Government has stated that the current Persian Gulf crisis caused by the problems between Iraq and Kuwait has undoubtedly affected world oil prices and has in fact caused a significant increase in oil prices. We must, however, hope that this will be an absolutely temporary situation and that once the conflict between those two countries is overcome the oil prices will decrease significantly. Therefore, we must adopt measures to prevent this type of situation, always bearing in mind that this is a temporary crisis which will disappear once the problems that caused it are solved.

Without taking into account the Iraqi-Kuwaiti conflict, the oil price levels for the second half of this year are looking very good, but they are obviously not as high as the ones the oil market is reaching at present. When we start examining oil price changes, it becomes necessary to separate structural from temporary effects.

We regret the Persian Gulf conflict between two OPEC member states, and we hope they will find a solution to the problem as soon as possible. [end recording]

Oil Prices Highest in 10 Years

PA1308014090 Madrid EFE in Spanish 2146 GMT 12 Aug 90

[Text] Quito, 12 Aug (EFE)—The price of Ecuadoran crude oil rose to $25 per barrel over the weekend, the highest it has been in a decade, as a result of the Iraqi invasion of Kuwait. The Arab conflict of the past two weeks has led to a worldwide increase in the price of crude oil, which constitutes the biggest source of foreign currency in Ecuador's foreign trade. The average price for a barrel of oil was estimated at $15 in the country's budget for 1991.

For Ecuador, one of OPEC's 13 member countries, each dollar increase represents a yearly income of approximately $75 million, according to official figures. Ecuadoran oil authorities have reiterated that, in compliance with OPEC instructions, higher prices will not lead to increased production, which will be maintained at 300,000 barrels per day. The country exports approximately half that amount.

Ecuador sells 147,000 barrels per day through long-term contracts with 10 international companies, using a formula that is based on the average price of the past five days of Alaska North Slope crude oil, minus $1.34 to cover costs and freight. The average price of the Alaska North Slope crude has gone up to $26.64 per barrel.

Paraguay

Central Bank Reports Cost of Living Increase

PY1108212690 Asuncion ABC COLOR in Spanish 11 Aug 90 p 11

[Summary] The Central Bank has reported that the cost of living has increased 36 percent in the last 12 months. This situation has forced the Central Bank to reduce the printing of money by 11 percent from January to July 1990 in comparison to the same period last year. The cost of living in the first seven months of this year rose 25.6 percent in comparison to the same period last year which was only 18.6 percent.

Monetary Reserve, Foreign Debt Figures Released

PY1108152090 Asuncion ABC COLOR in Spanish 11 Aug 90 p 11

[Text] Net international reserves registered a substantial 60 percent increase between July 1989 and July 1990, increasing from $374 million to $597 million.

The Central Bank now has $507 million in reserves to pay for the foreign debt and other disbursements. This figure has increased by 71 percent.

The $507 million plus other internal reserves amounts to the aforementioned total of $597 million.

As of today, during the current year our country has canceled $315 million of its foreign debt. It has paid off $131.1 million and canceled the rest through a system of note exchanges with Brazil.

Of the total disbursements, $77.5 million covered the debt with Brazil (the nominal sum amounted to $273.6 million). The country's overall debt has therefore decreased from $2.076 billion to $1.761 billion, or by 15 percent.

Alleged 'Deal' on Gustavo Stroessner Extradition

PY1108135290 Asuncion ABC COLOR in Spanish 11 Aug 90 p 11

[Text] Brasilia—A persistent rumor circulating among the local media indicates that the alacrity with which Gustavo Stroessner's extradition case is being handled is due to the recent meeting of President Fernando Collor de Mello, Foreign Minister Francisco Rezek, and Paraguayan Foreign Minister Alexis Frutos Vaesken. According to the rumor, the Paraguayan Government is insisting on Stroessner's extradition because he was receiving visits from many fellow countrymen and Paraguayan authorities could not dismiss the possibility that the son of the overthrown dictator was preparing some type of action on Paraguayan territory.

Also, a deal was allegedly made at the highest level through which, in exchange for speeding up the extradition procedure, Paraguay would not formally protest the recent "invasion" of Paraguayan territory by Brazilian police, who were pursuing the kidnappers of businessman Roberto Medina.

Peru

Police Guard Markets To Prevent Further Looting

PY1108031290 Lima Television Peruana in Spanish 0100 GMT 10 Aug 90

[Excerpts] Activities in Lima markets have not yet returned to normal. Some market stands remain closed while others are only partially open. Renewed looting, promoted by criminals—several of whom were arrested—took place in some markets. [passage omitted]

Several lootings took place at dawn today. Groups of people armed with sticks attacked several markets in the following districts: Comas, San Martin de Porras, El Agustino, and the Lima market. Because of the looting, market businessmen organized special self defense patrols to guard their stands. The National Police sent heavily armed policemen to each market to prevent looting.

The police arrested two individuals who were looting the (Tawantinsuyo) market in Comas District today at dawn. Meanwhile, more than 100 people stormed the Charcas cooperative market in El Agustino District and looted several market stands.

There were also looting attempts in the Buenos Aires, Lima, and the 10 October markets. It must be pointed out that these markets opened to the public today, although the public protested against the high food prices.

For the second day in a row, after the new economic measures were announced, the markets of this capital are partially open. Some market stands operate behind closed doors, while the National Police guard them to prevent any violence. Fish and meat stands are totally empty. The stands which sell staples are the ones with the most clients, who stand in long lines to buy goods. [passage omitted]

July, Annual Inflation Rates Reported

PY1008152290 Lima EL COMERCIO in Spanish 2 Aug 90 p B-5

[Summary] The National Statistics Institute has reported that the July inflation rate totaled 63.2 percent, the accumulated inflation rate for 1990 854 percent, and the accumulated inflation rate over the past 12 months 3,039.8 percent.

Labor Minister Announces Payment of Extra Bonus

PY1008134690 Lima Television Peruana in Spanish 1100 GMT 10 Aug 90

[Text] Labor Minister Carlos Torres y Torres Lara has announced that the payment of the extra compensatory bonus ordered by the government will be made proportionately and fairly. Larger amounts will be given to those earning lower salaries, protecting them from any difficulties that could be caused by the adjustment measures.

The minister explained that private and public employees who earned a salary ranging from 4 to 8 million intis in July will receive a 200-percent bonus, or 8 million intis. Employees who received from 8 to 75 million will receive a 100-percent bonus.

Regarding salary increases, the minister said that the government will adopt a completely new policy. He explained that the increase will be established as soon as the inflation rate, the dollar rate, and compensations to be granted by various sectors of the public administration are determined.

The minister said that retired people and pensioners will also receive the bonuses, although he could not say exactly when institutions will pay these bonuses.

Prime Minister Juan Carlos Hurtado Miller has reasserted that the government has firmly decided to prevent workers earning lower salaries from losing purchasing power despite the serious crisis.

Hurtado Miller said that the August salary increase will be announced in the next few days and added that public and private employees this week will receive an extra compensatory bonus equivalent to 100 percent of their salaries for the month of July. He explained that the minimum bonus will be 8 million intis.

He announced that, through the end of the year, the government will contribute $450 million to the social emergency program and will request private donations from international organizations totaling $150 million. He explained that the basic food, health, and employment needs of some 7 million people will be protected through this measure.

Hiring Freeze Announced for State-Run Companies

PY1008150590 Lima Television Peruana in Spanish 0300 GMT 10 Aug 90

[Text] The government has issued a resolution regulating the supervision of economic and managerial actions that state-run companies have carried out over the past 12 months. The companies will conform their budgets to the austerity policy to drastically reduce inflation.

State-run companies may not hire any new employees whatsoever. Existing vacancies in personnel budgets and vacancies produced by resignations may not be filled with newly hired personnel except for teachers, university professors, and health sector professionals. Vacancies may be filled through promotions to budgeted posts and reassignments in public organizations.

Bank Employees Federation To Stage Strike 13 Aug

PY1108151390 Madrid EFE in Spanish 0344 GMT 10 Aug 90

[Text] Lima, 10 Aug (EFE)—The Peruvian Bank Employees Federation (FEB), which is made up of some 60,000 workers, has announced that on 13 August it will stage a country-wide 24-hour strike to protest the economic program announced by the government on 8 August.

FEB leader Jorge Alarcon has urged Alberto Fujimori's government "to reflect on and amend the economic measures that in one day, on 9 August, caused a 136-percent inflation rate." Based on the "emergency" economic program, the government increased prices of oil, food, and services 20 to 30 times in an attempt "to set realistic prices."

Alarcon said that "the strike" will be aimed at demanding a 300 percent salary increase for commercial bank employees to raise their monthly average salary to 130 million intis ($360). Alarcon also noted that the FEB criticized the Bankers Association proposal to postpone salary demands until the results of the economic measures are more clear.

Dollar-Based Single Exchange Market Established

PY1008151290 Lima Television Peruana in Spanish 0300 GMT 10 Aug 90

[Text] The Central Reserve Bank has issued a resolution establishing a single exchange market for foreign currency transactions. The first article of the resolution states that the exchange rate on this single exchange market will be established on the basis of supply and demand for the dollar.

As for spending for studying abroad, the following scale was established: For the United States and Canada, the maximum monthly remittance will be $800; for countries in Europe, Asia, Africa, and Oceania, $1,000; for countries in Central and South America, $400; for other countries, $600.

A $5,000 limit has been set for Peruvian tourists traveling abroad.

As for dollar accounts, financial institutions have been authorized to operate checking accounts, savings accounts, and time deposits.

One-Million-Inti Notes Begin Circulation 11 Aug

PY1008153090 Lima Television Peruana in Spanish 0300 GMT 10 Aug 90

[Text] The new 1 million inti note, which will begin circulating tomorrow, was presented at a news conference today.

[Begin unidentified speaker recording] The new notes, which will begin circulating tomorrow, are smaller than current bills, at 144 mm long and 65 mm wide. The new note's main image is that of Hipolito Unanue, while on the back there is a picture of the San Fernando School of Medicine. [end recording]

Minister Hurtado Discusses Economic Situation

PY1208204090 Lima Television Peruana in Spanish 0100 GMT 12 Aug 90

[Text] Juan Carlos Hurtado Miller, prime minister and economy and finance minister, today urged the Peruvian people to remain calm and under control. He also said that new wage and salary levels will be announced next week and social emergency programs will be strengthened so poorer people will be able to cope with the consequences of the economic adjustment measures. He added that measures designed for banks, farmers, and other sectors will be implemented in a few days, once the inflation situation is clear. These measures will be implemented while keeping in mind that workers should not lose any purchasing power. In addition to being an issue of justice, it will also prevent a severe recession.

[Begin recording] [Hurtado] Next week we will have the latest inflation figures. It is true that at the beginning of the stabilization program there was an outbreak of inflation that affected everyone. Inflation should begin to abate in the coming days and we already have concrete figures that will allow us to establish salaries for August. We will do this next week—we will announce the salaries for August.

[Reporter] What about the municipality's responsibility? It has been unable to establish bus fares, creating a very serious problem throughout the country.

[Hurtado] You are absolutely right, it is a very serious problem. We have met with municipal officials and they seem to be unable to reach a decision. We will be forced to make this decision ourselves. We will not keep waiting and have the people plagued by the transportation problem on Monday. If the municipality does not make a decision then I will make it. I am moving into the municipality's jurisdiction, beyond mine. The important thing, however, is that people should not lose control. I have already said on television that I will not back off. Whatever does not work, I will make sure it is corrected.

[Reporter] When do you expect the transportation problem to be resolved, Mr. Minister?

[Hurtado] The transport problem will be resolved on Monday. Tomorrow morning we will meet with the minister of transport and communications and transport company owners. We have held several meetings with the bus owners. Mr. Chang [not further identified] heard them out yesterday and they are very willing to work, they are not giving us any problems. On the contrary, they want to take to the streets and start working. We will resolve this problem and on Monday they will go back to work.

[Reporter] Mr. Minister, there is total confusion among the people because they do not understand how the social compensation program will reach the poorest sectors. What concrete information can you give me?

[Hurtado] The services being rendered by 11 private organizations right now are very efficient. They are taking care of almost 4.5 million people in the country. We increased our financial assistance yesterday and sent checks to all the provinces. Even more notable is that in the provinces, the people, municipalities, and private banks have established assistance committees. They are getting in touch with the national coordinating board to increase assistance throughout the national territory.

You will be seeing a daily expansion of the social assistance program. We can say right now that the soup kitchens that were providing 150 meals per day will begin providing 300 per day. In the next month or so we will be issuing more supplies to the milk program that has been operating for more than five years. It was instituted under the Belaunde administration, and Dr. Barrantes Lingan has done a lot of work to get it going. We will now try to expand this program so that it will not be restricted to a glass of milk, but will also provide food rations. We cannot do it immediately, but we will accomplish it in the medium term.

[Reporter] Have there been unbacked issuances of currency lately?

[Hurtado] The Peruvian Central Bank has financed the payment of bonuses and the initial expenditures for the social assistance program. This must be said so that the people will know where the money came from. The point is that the money that comes in from the sale of fuels and the taxes—published in the EL PERUANO official gazette—will allow us to return the money to the Central Bank. Our guidelines are zero issuance and zero financing. This is the only way to go. The people must know, however, that the treasury was empty, absolutely empty. We would have been unable to pay the bonuses; we would have been unable to pay pensioners because we would have been unable to give money to the Social Welfare Institute to make these payments; and we would have been unable to launch the social assistance program. The people must know what is being done with their money.

[Reporter] Could you give us some figures on salary increases, especially as far as the minimum wage is

concerned. Congressmen have been asking to set the minimum wage at $60 per month. What do you think about this proposal?

[Hurtado] We want to look at all the proposals. Several minimum wages have been proposed, including $30 and $50. We also have a proposal calling for a 200-percent increase. There are many proposals and they are all welcome. I do not want to get too far ahead, however, because the main thing is that we have changed the way we project salaries. We are now making advance estimates. In other words, we estimate inflation for the next month starting from a reasonable basis. The question from Mr. Iguinez [one of the reporters] a while ago was very important. What is our basis? Is it June, July, the year 1985? The basis is very important for making estimates. We want workers to have more purchasing power at the end of the month. It is not only because as a matter of social justice the poor should not pay for the economic adjustment; it should be paid by those who have more. If you read EL PERUANO today you will see that they are indeed paying for it.

[Reporter] What can you tell us about aid from countries that have offered their cooperation?

[Hurtado] This assistance has already arrived. There is $100 million in the country already and $100 million more has been promised. The Peruvian treasury has earmarked $215 million to be distributed between now and December.

[Reporter] What about assistance from other countries?

[Hurtado] Of course, almost the entire international community is helping out under the sponsorship of UN Secretary General Perez de Cuellar.

[Reporter] Mr. Minister, the one-million-inti bill was launched today. When will the monetary program go into effect?

[Hurtado] The monetary program must go hand in hand with the stabilization process. Starting 13 August we will issue regulations on minimum legal reserves for banks, which will give the banks the liquidity they currently do not have. For the time being we will not establish interest rates. We will probably wait a week or 10 days to establish interest on loans and what is called free rates on savings.

[Reporter] Is this the only economic package, or will there be more?

[Hurtado] This is not an economic package, since that sort of implies that there will be more to come. That is not the case. We have already implemented a severe price increase and this by itself should stabilize the economic process. [end recording]

IDB's Iglesias Offers Cooperation to Fujimori

PY1208024290 Lima Television Peruana in Spanish 0100 GMT 12 Aug 90

[Text] Inter-Amercan Development Bank President Enrique Iglesias has offered President Alberto Fujimori's administration his full cooperation—above and beyond mere technical assistance. This will help normalize Peru's financial situation which will enable the country to reopen lines of credit. Prime Minister Juan Carlos Hurtado Miller made this announcement after talking with Iglesias on the phone.

* APRA 'Time Bomb' Theory Detailed

90SM0191A Lima EXPRESO in Spanish 1 Jul 90 pp 8-9

[Text] No Peruvian with any common sense at all imagined, back on 28 July 1985, that the American Popular Revolutionary Alliance (APRA) government would leave such a negative legacy after being in power five years, and that it would undermine the climate of cooperation required by economic agents.

One matter of great concern is the objective of the various measures (recently passed legislation) that are probably intended to obstruct the administration of an eventual liberal-type government, which is what the Democratic Front (FREDEMO) would have been. It is always possible, however, that they reflect APRA's populist aspiration to return to power in 1995.

In any case, history will judge what is happening now. The lack of pragmatism and seriousness is clearly penalized at the polls in a democratic system, since none of the traditional parties won the preferential vote of the majority of the population.

The fact that serious problems are present simultaneously on all fronts will become the principal obstacle to economic stabilization. All political, labor, and business forces are fully aware of this fact.

But the severity of the situation becomes clear when one takes a quick look at the various sectors in the economy and observes that each of these problems actually represents a kind of "time bomb" that has been activated and could go off at any moment.

Many of these problems are linked to laws that were passed recently and that require legislation of similar stature to be repealed. Thus, a consensus will be needed to repeal any of these laws, and this will be difficult to achieve, considering the new composition of the legislature.

In this way, the Change 90 government will have to cross a minefield, and at least some of these mines will prevent the economic team from concentrating its efforts on the difficult task of stabilizing the economy.

Here is a summary of the principal time bombs and the sectors where they can be found:

External Front

1. The lag in the exchange rate is penalizing the export sector, resulting in lower balance of trade figures. According to the Foreign Trade Institute (ICE), the balance of trade reached just US $94.2 million between January and April, compared to US $527.3 million during the same period of 1989.

Similarly, at the end of May the lag in the exchange rate (in relation to the export dollar) amounted to 55.5 percent. Based on a conservative estimate of inflation at 35 percent a month for June and July, and a devaluation similar to that of May (40 percent a month), the exchange rate disparity (in relation to the export dollar) will amount to 46.6 percent in the early stages of the incoming government.

2. The availability of foreign exchange will be practically nil; in the last few months there have not been enough funds to meet pending obligations.

The misguided exchange policy of keeping import prices down and boosting export prices has resulted in losses of US $509 million in net international reserves (RIN) to the Central Reserve Bank (BCR) between 1 January and 31 May.

In addition, the recent deferral of payments within the framework of the Latin American Integration Association (ALADI), which amounted to US $124.8 million between January and April, confirms that the BCR faces a cash shortage and has no alternative but to sell off its silver reserves.

It should be noted that this is the second time Peru has defaulted on its debt within the ALADI. Some member countries, such as Brazil and Chile, have responded by toughening their stance and demanding immediate payment of these debts.

3. American banks have filed suit against the Peruvian Government in an attempt to collect on loans amounting to nearly US $2 billion. In this regard, we understand that the request for a 120-day stay submitted by the Peruvians in late April, in answer to the banks' suit, has been denied by the Court of New York. And the stay would only be for 70 days, so the deadline for contesting the suit will be 9 July. The current government, however, has not made any statement on this matter, and it will probably maneuver somehow to put off the conflict until the transfer of power.

Moreover, the lawsuit filed by the Peruvian Government against the American firm ENRON should be taken into consideration. This company owns the Belco Petroleum Co., the oil company that ceased its operations on the continental shelf after reaching an impasse with the government in 1986.

4. Failure to meet obligations to multilateral organizations. It may be recalled that Mr. Salinas reached an agreement with the IMF to prevent Peru from being declared a "non-cooperating country" in February 1990. And for that purpose, it was agreed to pay the debt owed to that institution by the indicated deadlines, beginning in September 1989.

Since that time, payments to the IMF have not been significantly late. Thus, in late April, the government had to deposit one million ounces of silver (equivalent to US $5.1 million) in the Federal Reserve of New York for the payment of the IMF debt.

In May, it was supposed to pay US $34.6 million, and for the rest of June it was to pay US $44.6 million, both figures associated with the IMF debt. For this purpose, the government would have to sell off all its silver holdings, and even that would be insufficient to cover the amount. It will then have to turn to its gold holdings.

Furthermore, the US $960 million that is past due with the IMF is still being negotiated. There are also debts that are past due with the World Bank and the Inter-American Development Bank (IDB), amounting to US $1.1 billion.

On the other hand, the debt to other creditors (Club of Paris, suppliers) must also be taken into consideration. The APRA government has not undertaken any renegotiation of the owed amounts, and what is worse, it has not even been in contact with the representatives of these creditors.

Fiscal Troubles

1. The readjustment of prices and controlled rates as a result of the strong build-up over the last few months. This will be an essential part of the economic housecleaning.

2. The establishment of taxes for specific purposes, such as the Special Fund for University Development for the anti-subversion struggle, etc. In addition, there are taxes and contributions that regional governments may levy, which will effectively reduce the availability of funds for the Public Treasury and will hinder the development of an effective tax reform.

In addition, the numerous tax exemptions represent another problem, since they can only be eliminated or repealed through express legislation. It should be noted that tax analysts estimate that the suspension of all exemptions would boost tax collections by four to five percent of the GDP.

Nevertheless, the elimination of the exemptions would not be easy to achieve, considering the composition of the legislature after 28 July.

3. Funding taken away from regionalization process. According to the 1990 Budget of the Republic, the five regional governments that have been formed were to receive a total of 3.6 trillion intis, and for the five that were to be formed by 28 July, the government had made a provisional allocation of 1.2 trillion intis to the Departmental Development Corporations (CORDE).

But hyperinflation has obviously reduced this budget, and there have also been delays in turning over the money; 93.6 percent of the funds are to come from the Public Treasury, which is at its lowest level in history.

Moreover, the government must give them 25 percent of the General Sales Tax (IGV), but given the government's money situation, that will not happen.

4. The real amount of the domestic debt cannot be accurately determined, as the government will not provide the necessary information. It is estimated at more than 10 trillion intis, however.

This debt has apparently shrunk, as the government recently reached an agreement with the Association of Banks for the purchase of 1989 national bonds through the Bank of the Nation at 100 percent of their nominal value, but with a greater penalty on accrued interest. A payment of 4.6 trillion intis was authorized for that purpose.

As can be seen, however, although the government is paying the principal on the public indebtedness bonds, this payment means that more currency will have to be issued because the Public Treasury does not have enough funds to meet current obligations.

5. Another problem for the incoming government will be the deferral of payments to the various suppliers of the central government and of public enterprises. For example, the State Petroleum Agency (PETROPERU) has been paying off its suppliers with bonds, and regional governments have also received bonds in payment of the petroleum royalty.

6. The Teachers Law represents additional spending of 12 trillion intis per year (in May alone it amounted to 900 billion intis). Although the Public Treasury is authorized to finance what is required by this law through tax measures, such as raising the IGV and the ISC, etc., these taxes have not yet been collected, which exerts additional pressure on the BCR.

Monetary Sector

1. The existence of US $400 million in foreign currency bank certificates that have yet to be returned. They were frozen for just 90 days at the beginning of this administration, but so far they have not been returned in the form of bills (or in intis at the best exchange rate).

On the other hand, the holders of these certificates have filed suit against the government, and they have already won at the trial court level.

2. The critical situation of the state banking sector as a result of the credit policies these banks were forced to carry out. This is true of the Agrarian Bank, which depends on funding from the Public Treasury. Such funding has been delayed because of the lack of revenues. Furthermore, the administration of loans (preferential interest rates) has led to the liquidation of assets.

The Industrial Bank has been able to survive thanks to the resources of the Industrial Reactivation Fund (FRI), since the administration of its promotional credits has brought about its economic and financial situation.

3. The serious plight of mutual funds, primarily those located in Lima (especially Mutual Peru and Mutual Puerto Pueblo). These entities have been used by the government for political purposes (housing construction) and currently require the support of the BCR.

Labor Front

1. In late May, the legislature passed Law 25222, which establishes the right of class 2 trade union organizations or workers federations to collective bargaining by economic sector.

This dubious law could lead to the presentation of two lists of demands each year, one for the economic sector and the other for the individual company involved. This would result in more labor conflicts, because the law apparently does not take into account the presence of different-sized companies within the same sector.

It should be pointed out that before the promulgation of this law, the number of workers federations that had collective bargaining agreements by sector was limited. The bank employees, civil construction workers, bakers, stevedores, and electricity workers were included in this category.

One point that is not yet clear is whether the collective bargaining would cover only working conditions or would extend to increased pay for all businesses in the economic sector.

The inconsistencies in this law have forced the Labor Ministry to appoint a commission to draw up regulations for it, even though the law makes no provision for any commissions to be named to clarify its vague points.

For example, the commission would have to make distinctions according to the size of the units within each economic sector (either by volume of sales or number of employees).

In addition, this law does not clearly define what a class 2 trade union organization is, or what the concept of economic sector encompasses. In this regard, we know that the commission would try to define the economic sector in accordance with the Uniform International Industrial Classification (CIIU).

2. Law 25223, which regulates the compensation of white collar employees for years of service. As of 1/1/90, compensation for each year of service will be calculated on the basis of the last salary received, including all bonuses.

Furthermore, compensation for the period between 1962 and 1979 will be based on a minimum legal income (IML) for each year, and for the period from 1979 to 1989, compensation will be based on a maximum of 10 IML (currently 25.5 million intis, as the IML is 2.5 million intis).

Previously, compensation for years of service was based on the minimum living wage. Thus, the businesses that will suffer the most are those that have personnel with a lot of seniority and an acceptable pay level.

This provision will encourage the best-paid employees to quit, as they will receive huge sums of money that are exempt from the income tax. In other cases, businesses will have to increase their social benefits reserve, and this will also entail a shift in the use of businesses' scarce resources.

On the other hand, we understand that some labor leaders, arguing that workers have been discriminated against, are pressuring the legislature to extend this law to blue collar workers.

3. Law 25224, which deals with the compensation of civil servants for years of service, has placed the government between a rock and a hard place, given the severe shortage of public funds.

In prior years, compensation was based on the civil servant's base pay, and this amounts to no more than 10 percent of the principal remuneration. With the current modification, however, the compensation will be based on the principal remuneration.

The difficulties are becoming apparent; as of 14 June, no pay raise had been announced for civil servants, although normally they have been announced by the first of the month.

Government sources say what is happening is that if the pay raise is announced, the government will be in violation of the law, because many public employees are already processing their retirement.

Other Bombs

In addition to the problems mentioned above, which will directly affect public and private companies, the government will inherit a country facing greater religious and social conflicts (confrontations among classes).

It is also important to mention the disturbing degree to which the physical infrastructure (highways, communications) and the social infrastructure (health services, education, etc.) have deteriorated.

Another time bomb is the shortage of basic foodstuffs due to lower agricultural production caused by the drought. The government has guaranteed imports only until July.

But it is known that the drought has affected more than 352,000 hectares, primarily in the mountains. According to a study by the National Institute of Planning (INP), 2,158,648 inhabitants have been directly affected by the drought, and assistance will be required to prevent their migration to the cities, among other things.

The situation of the public enterprises is another of the serious problems confronting the next government. In addition to the deficit they have generated (in 1988 this amounted to nearly US $2.5 billion), many of them have lost the best management personnel, principally due to remuneration problems.

Moreover, the administrative disarray in many public entities has led to the dilapidation of their scarce resources (through loans, special bonuses, vacations, pay advances, housing loans, etc.). The most notorious cases are EMDEPALMA [expansion unknown], the Peruvian Shipping Corporation (CPV), Aeroperu, the National Enterprise for Industrial Marketing (ENCI), and others.

Venezuela

Foreign Minister Leaves for OPEC Consultations

PA1108213690 Madrid EFE in Spanish 1846 GMT 11 Aug 90

[Text] Caracas, 11 Aug (EFE)—The Venezuelan Government favors maintaining the OPEC production ceiling and prices for crude oil until a meeting can be held to analyze the consequences of Iraq's invasion of Kuwait. Foreign Minister Reinaldo Figueredo flew to Switzerland on 10 August to begin an official tour of Iran, Algeria, and Saudi Arabia aimed at reaching a consensus on holding an emergency meeting of the 13 OPEC members.

The Foreign Ministry is weighing the advisability of maintaining its ambassador in Kuwait, since Iraq has proposed transferring the diplomatic missions in Kuwait to Iraq in the wake of its invasion and annexation of Kuwait. In his four-day visit to the three Arab countries, Figueredo will propose increasing Venezuela's production of crude oil by 500,000 barrels a day. OPEC set production at 1,950,000 barrels a day in July.

Venezuelan Petroleum, Inc. (PDVSA) sources have said that the country has increased its daily production of crude oil to 2,200,000 barrels, in the wake of the Iraqi and Kuwati oil embargo, which is causing a shortage of 4.5 million barrels a day on the international market. Regarding the price, PDVSA sources reiterated the country expects a barrel to sell at an average of $14.50, despite the increases in the international market.

More on Foreign Minister's Trip

PA1008210590 Mexico City NOTIMEX in Spanish 1907 GMT 10 Aug 90

[Text] Caracas, 10 Aug (NOTIMEX)—It was learned here today that Venezuelan Foreign Minister Reinaldo Figueredo will begin a tour of Saudi Arabia, Iran, and Algeria to explain his country's position regarding Iraq's invasion of Kuwait and to ask the OPEC nations to maintain unity in the oil market.

It was also learned that Figueredo will be the bearer of a message from President Carlos Andres Perez to King Fahd of Saudi Arabia.

According to informed sources, the foreign minister will be accompanied on his trip by Felix Rossi Guerrero,

former Venezuelan representative to OPEC; Alfredo Chaparro, secretary of the South Commission, and Ambassador Edmundo Gonzalez.

Increase in Oil for Spain Available If Needed

PA1108155790 Caracas Venezolana de Television Canal 8 in Spanish 0000 GMT 11 Aug 90

[Text] If Spain needs it, Venezuela will increase its supply of crude oil, according to Carlos Solchaga, the Spanish economy, trade, and finance minister. Solchaga made this statement at Miraflores Palace, following a meeting with Venezuelan President Carlos Andres Perez. The Spanish official commented on the excellent relations between Spain and Venezuela and the projects Spain is planning to finance. We recall that during his visit to Spain, Perez signed cooperation agreements, which will be analyzed on 15 September in Spain. The planned projects deal with priority sectors such as the petrochemical industry, aluminum production, tourism, among others. Spain will contribute $3 billion over a period of years, but the credit agreement could be expanded if necessary.

Spain may negotiate a long-term contract on oil supplies, within the framework of the aforementioned credit agreement. The objective of this agreement would not be just to ensure oil supplies to Spain, but to use the contract as a way to provide immediate credit to Venezuela. These measures are being discussed in the context of the situation involving Iraq and Kuwait.

[Begin Solgacha recording] Perez has assured me that as things develop, should Spain need an increase in current deliveries, we could count on it. I am not saying that Spain is currently having a problem with supplies, but that friendly countries can augment our supplies, if it becomes necessary in the future. [end recording]

The Spanish official said that his country will continue to provide all the financial backing our country needs, since Spain feels the economic measures adopted by the government are strong and positive.

Perez Annnounces Creation of Oil Surplus Fund

PA1008210890 Caracas Venezolana de Television Canal 8 in Spanish 1600 GMT 10 Aug 90

[Text] Venezuelan President Carlos Andres Peres has announced the creation of an oil stabilization fund into which the surplus generated by the new oil prices will go. The president made this remark at a ceremony to mark the 14th anniversary of Valencia State's NOTI TARDE newspaper.

Perez clearly stated that the new resources will be used to consolidate government plans, which need investment. He said OPEC has now become the guarantor of a steady supply of oil to countries that have always needed it, adding that an increase in the price of oil would bring relief to Venezuela. Despite this situation, the measures taken by the government are necessary to avoid difficulties, he noted.

[Begin Perez recording] We should keep in mind that the Venezuelan crisis did not begin when the price of oil crashed. The Venezuelan crisis began in the midst of an oil boom, when a barrel of oil was selling at over $28. To be sure, when it dropped to $12, $11, or $10, our crisis became unbearable. That was the situation that existed when I took office. Venezuelans, we cannot ignore this experience. The better prices we may get will help us strengthen the national economy. We must not incur expenses that once again will poison and give a false basis to the country's economy. [end recording]

On the matter of the negotiations on the foreign debt, Perez said that the list of terms was signed and will not be changed. He warned that if bad news dispatches continue to come in, banks could adopt stances that will be the least favorable to our country.

Perez Reports on Cordial Meeting With Gaviria

PA1008161590 Caracas Venezolana de Television Canal 8 in Spanish 0000 GMT 9 Aug 90

[Text] The Presidents of Colombia and Venezuela have established the basis for future relations between the two countries. On his first day as President of Colombia, Cesar Gaviria held an important meeting with the President of Venezuela.

The two presidents met at 0700 at the Narino Palace. The meeting was the last activity of President Carlos Andres Perez during his visit to Bogota. At the meeting, the two presidents expressed their determination to continue to strengthen relations between the two countries, granting priority to fulfilling agreements to be signed by the border commissions.

The policy of rapprochement begun by President Barco, who mainly advocated periodic meetings by the presidents along border areas, will continue.

[Begin Perez recording] I have a very positive impression of your inaugural speech to Colombia and the world. We will start discussing how to continue our relations. I am pleased to say that President Gaviria is absolutely identified with what President Barco and I were doing to raise relations between Colombian and Venezuela to full understanding, which will allow us to prepare for great decisions concerning integration and our relations with the United States and the world. [end recording]

Guyana

National Assembly Passes Constitutional Amendment

FL1008154090 Bridgetown CANA in English 1513 GMT 10 Aug 90

[Text] Georgetown, Guyana, Aug 10, CANA—Guyana's National Assembly (Parliament) on Thursday unanimously amended the country's Constitution to give greater protection to citizens whose properties might be compulsorily acquired by the state. The Constitution (Amendment) Bill

1990 tabled by minister of legal affairs and attorney general, Keith Massiah, repeals the 15-year old Acquisition of Lands for Public Purposes Act.

Under the new law, a person whose property has been compulsorily acquired by the state will have access to the high court to determine his right over the property and the amount of compensation to be given. Previously the courts here were mandated to apply the 1939 market value of the property.

The new legislation reinstates the citizen's right to adequate compensation by stipulating that compensation must take into account the current market value of land affected. It also gives the court wide discretionary power to award, in addition to the compensation, a percentage of the market value of the land as the court sees fit.

The legislation received the backing of the two opposition groups in Parliament, the Peoples Progressive Party and the Working Peoples Alliance.

Exchange Rates Spiral Downward at Cambios

FL1008231590 Bridgetown CANA in English 2240 GMT 10 Aug 90

[Text] Georgetown, Guyana, August 10, CANA—Exchange rates at Guyana's five-month old cambios came tumbling down Friday and should crash even lower when trading begins Saturday morning.

When trading opened Friday morning, the rates ranged between 80 and 85 Guyana dollars for one U.S. dollar. But by the close, they had crashed to as low as 73 for one.

In recent weeks, the rates at the cambios had been spiralling out of control rising at a rate of almost one Guyana dollar per day for the U.S. dollar and reaching as high as 88 to one at some cambios this week. The rates started falling Thursday when word got around that several operators of cambios would be meeting Friday to discuss what could be done to stabilise the situation.

Long queues built up at some centres as Guyanese sought to offload whatever foreign currency they had while the rates were still high. Many had reportedly been holding on to their currency believing that in a matter of days, the dollar would reach as high as 100 to one.

This view was fuelled by reports earlier this week quoting President Desmond Hoyte as confirming that the government was also buying foreign exchange at the cambios because there were no hard currency receipts from sugar in recent weeks.

Some cambios reportedly stopped buying foreign currency since Thursday, contending in some cases that they had run out of Guyana dollars and in other cases that no one was buying currency from them.

The National Bank of Industry and Co mmerce [NBIC], considered a pacesetter on the cambio market, started buying the U.S. dollar Friday morning at 85 to one. But by the close of business, the rate at the NBIC had fallen to 73 for one.

Word that the rates at the NBIC had crashed was greeted with cheers and loud applause at a meeting Friday afternoon attended by representatives of about 15 operators of cambios in the city. That meeting, which was boycotted by the NBIC, was held at the Guyana Bank for Trade and Industry (GBTI) just across the street from the NBIC headquarters. Participants at the meeting were of the view that the NBIC was largely responsible for the rates at the cambios spiralling this week.

The meeting at the GBTI, convened on the suggestion of manageress of the GBTI Margaret da Silva, had just decided on a concerted action for dealing with the runaway situation which they said was having a tremendous negative effect on the cost of living here. They had agreed that, with immediate effect, they would all hold their rates for the U.S. dollar at about 55 to one—ten dollars more than the official Bank of Guyana rate. They also agreed to meet weekly to review, and if necessary, fix new rates and, in principle, to form an association of cambio operators. The meeting proposed an audience with the finance minister and the governor of the Central Bank to discuss the situation and try to persuade the minister to use his powers to deal with operators of cambios who they felt were not operating in the best interest of the country.

Price Increase on Petroleum Products Announced

FL1108164090 Bridgetown CANA in English 1544 GMT 11 Aug 90

[Text] Georgetown, Guyana, Aug 11, CANA—Guyanese consumers began paying more for gasolene and diesel on Saturday after the government announced price increases on petroleum products.

Gasolene was being retailed in the capital, Georgetown, at G 65.86 dollars a gallon, up from 63.91 dollars (one G dollar; 2.2 U.S. cents). The price of diesel was raised by 3.52 dollars to 59 dollars a gallon.

In some districts outside the capital, the increase was as high as five dollars for both gasolene and diesel.

The official Guyana Public Communications Agency (GPCA) said the price increases were due to "increased acquisition costs".

Earlier this week, the GPCA announced that Britain would be providing Guyana with fuel valued at 1.4 million pounds sterling as grant aid.